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JPRS-EER-89-128

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INTRABLOC AFFAIRS

Romanian Journalists Visit Albania

90EB0081A Bucharest LUMEA in Romanian
12 Oct 89 p 25

[Article by Radu Budeanu: "Colloquium About a Voyage That Is Yet To Begin..."]

[Text] One first spots imposing hills abruptly dropping toward the plain. They flank the airport like timeless fortifications covered by the dull green of forests. The concrete strip doesn't go on for vast distances; there are no technical extravaganzas, and the services that usually and dictatorially take hold of travelers at any airport, are utterly missing here.

The place is quiet, content, and enveloped in a soft atmosphere. A few flocks of sheep gently graze the surrounding grass. Somewhat farther away, a group of haymakers rhythmically, unhurriedly wield their scythes in wide semicircles at clumps of weeds.

A few dozen meters from the airplane stands the airport building. It is low, narrow, baked by a hot autumn sun. Albanian autumn, sparkling at all the joints and scorched by a white sun invading everything like a reflector intent on blinding even the ants seeking refuge under the ground.

With my bag permanently over my shoulder, stuffed full of warm clothing, I quickly reach the tiny airport bar, clear customs in no time, and impetuously come out on the other side, where I spot a truck and a few small cars. I wait patiently for someone to give me the time of day. My unruffled calm and my unending faith in the future naturally help. I take my coat off, raise my head, close my eyes, and let the sun tan my skin.

After an interval of perfect immobility, in which I feel as if I had penetrated deeply and euphorically into the skin of a statue, what I deserve happens: I am abruptly and noisily surrounded by a compact group of Albanian comrades. They all talk at once and amicably hit me in the chest, between the shoulder blades, and in the upper arm; one takes my bag, another my coat, and they would probably lift me up, too, if they didn't read in my eyes, aside from due enthusiasm, a certain measure of incomprehension. That much is clear. The shortest among them, who did not reach to shake me in friendly manner, addresses me in the purest Romanian: "You are no doubt Comrade Radu Budeanu." It's not a question, but a statement. I nod approvingly, happy to have been discovered so soon. "We are from the Journalists Union, ATA, television..." whereupon he stops stupefied. "But where did you come through?!... We waited for you at the airplane! We looked for you everywhere. Everywhere!" I reassure him. I came through and I didn't get lost. Where could I get lost?! They remain astonished, look at each other profoundly disoriented and profoundly satisfied that I did not decompose into primary elements and did not take off for the hills. Having by consensus been

invested with the property of going through walls, I take command of the gathering and ask them if they have a car. They do. Which one is it? That one! There was only one in sight. We manage to fit in all of us, they, like sardines, in the back, and I in front. The driver, who was to take me on a long trek all over Albania, is dark, thin, and lively. He hits me in the knee without warning and asks: Romanian.? Yes, Romanian. Aha! Bucharest? Lovely Bucharest I nod and am rescued by the ones in the back who are pelting me with questions I can answer more laboriously.

The narrow, completely empty road crosses through orchards, fields, and lazy hills smothered in vineyards. The landscape is orderly, well tended, ordinary. I don't see any carts, trucks, or cars. The road leads to Tirana, which I have never seen and which I know has somewhat over 200,000 inhabitants.

At a curve in the road we see an ARO suddenly appear from the opposite direction. Our driver honks. So does the ARO, and each takes leave of the event rolling on in relaxed, regulatory manner. Finally, Tirana. We cross from the fields into the capital city without trauma, without going through contrasts or spectacular changes. I don't notice any architectural or traffic high or low points: Tirana's outskirts are just like its center.

Apartment houses have four stories, rarely fewer, never more, all painted in vague green, blue, yellow, and indefinite red. Once in a while a car emerges on the quiet streets. Bicycles are more frequent. Pedestrians, rare and relaxed, walk in the streets, emanating the conviction that accidents belong to the category of natural disasters: possible, but improbable. Consequently, when a car happens by, the pedestrians don't get excited, but the driver does. He honks stubbornly, long, and thundering. Paradoxically, the decibel bombardment is matched by imperceptible road traffic. You don't see streetcars, because there aren't any. Rare buses make their way slowly and cautiously, naturally advertizing their presence with due honking.

Tirana, which has not yet had its 70th anniversary as capital city, is dominated by dense calm. It exists horizontally, having its own style, equal only to itself and, from whatever angle you consider it, it remains a gentle city, stretching over moderate expanses at the foot of the Dajti Mountains. Their dull slopes, which sport no Gothic peaks or abyssal descents, retain, from their 1,600 meter altitude, a compact pride and a triumphant and vaguely protective muteness.

We cross Tirana in a few minutes and come to the hotel that bears its name. It is the tallest building in the area, 10 stories, and it looks like any building anywhere, without any outstanding feature. Surrounded by my hosts, I go into the lobby, where a jaunty, obviously interminable Albanian tune whistles through a profusion of loudspeakers. Sofas and armchairs are occupied by blond tourists and dark tourists: Nordics, Italians, and Greeks. I have time to quickly leave my bag in the room

and to come down right away, where Diana Culi, representative of the Albanian Committee of Balkan Understanding, is waiting for me.

We meet, are introduced, sit down, and begin. She greets me and expresses her satisfaction with the visit and her conviction that it will be successful. I greet her and express the same satisfaction and conviction. Pragmatic like any journalist who does not believe what he cannot see, I suggest we discuss the program, objectives, itinerary. The short protocol meeting turns into a council taken over by the passion of efficiency; maps are produced, typewritten schedules, an entire arsenal of data, suggestions, and arrangements. The hosts have done their homework industriously and all that's left for me to do is to take note.

The distinguished hostess, after a lengthy and detailed presentation of the profuse scenario of the visit, at the end asks me, with the exhaustion of a student after exams, what I think. She may be expecting a volley of counterarguments, amendments, and upsets. I answer her at length, with a thin smile from ear to ear: "Sold!"

CZECHOSLOVAKIA

President of Academy on Future of Basic Research
90EC0024A Prague NOVA MYSL in Czech
No 9, 1989 pp 10-16

[Article by Josef Riman: "Basic Research in Time of Restructuring"]

[Text] The restructuring process, accelerated following the 7th CC CPCZ session in December 1987, has major consequences for Czechoslovak basic research. It is that the changes which our society is undergoing, as also the goals of the restructuring, are tied strongly to the need for a much more effective role of science in seeking solutions to all the principal tasks in the further advancement of society. Our science's preparedness for the goals of restructuring, its concrete results including their application in practice, equally as the quality and conceptual level of the changes which Czechoslovak basic research itself is currently undergoing are in the center of attention of the leading party and state organs. This is attested to by the conclusions of CC CPCZ meetings over the past 2 years, and further evidenced by the concrete experience which the Czechoslovak Academy of Sciences (CSAV) is amassing just in the present period.

The core of the tasks the CSAV faces in consequence of the restructuring process undoubtedly lies primarily in efforts to find a more effective management, coordination and control of the state plan for basic research. This is one of the academy's principal functions, discharged not only in its own workplaces (which alone are substantively responsible for about one-half of the state plan's targets), but also toward basic research at universities and in ministry departments. It is evident that a superbly

prepared research plan is the key to a truly effective utilization of the scientific potential available to us.

To assure that this target is met, the CSAV worked out ideas to govern the formulation of a state plan of basic research (SPZV) for the Ninth 5-Year Plan. These already adhere to the principles of the long-range development of our science, based on intensifying its specialization. Proposals were drafted for changes in the management, coordination, control and financial backing of basic research. This approach was applied to the principles of a uniform state science and R&D policy, discussed in the CC CPCZ commission for science and technology, and to the detailed methodological instruction for the SPZV preparation which the CSAV preidium approved in January of this year.

The management system for SPZV applies the principle of two-tier management and gives much stronger backing to the powers and responsibilities of the problem-solving workplaces involved in basic tasks, as well as to the conceptual and control function of the collective organs of SPZV which include representatives of the scientific front as well as of social practice. The introduction of science-invention (vedeckoinvencni) and science-application (vedeckorealizacni) projects as independent units of the plan has the effect of increasing the efficacy of the design forms of tackling and coordinating selected major problem areas.

An important measure still outstanding is a firm linkage of the substantive and financial aspects of the plan, connected with a full application of the targeted financing of assignments. The Czechoslovak Academy of Sciences (Slovak Academy of Sciences) are organizations funded from the central budget. The introduction of targeted financing of SPZV objectives and other academy activities brings fundamental change into the method of their economic backing. This method of financing work on SPZV tasks will also be applied to universities and other problem-solving workplaces of other branches. Implementation of the proposed principle of strictly targeted financing of SPZV objectives assumes a full year-to-year transferability of funds within the 5-year plan period. For the other planned activities of the CSAV (SAV) which are not directly connected with the tasks set in the state plan of basic research and therefore cannot be included with their operating expenses, funds will be set aside from the state budget and central resources. These will cover in particular investment activities and foreign currency funds needed to sustain the academy's work including its future progress, the cost of science education, expenses connected with the research work carried on by Czechoslovak scientists in the Dubna Joint Institute for Nuclear Research and in the Interkosmos program, contributions to scientific societies affiliated with the CSAV, expenditures for civil defense, science popularization activities and housing. Additional funds will have to be set aside for work on the tasks stemming from state plans for future development, and potentially for further work in applied research in which the CSAV will

participate in the form of state orders, for work in developing military science and technology and in contributing to the implementation of the state plan of economic research.

In addition to funds allocated from the state budget the academy will utilize receipts from supplementary operations carried on as economic enterprise activities both domestically and abroad. The central focus of this supplementary activity, the purpose of which will be to help accelerate the application of basic research findings to social practice especially in the sphere of state enterprises, will be science-application projects. This activity, employing also khozrazchet elements, will be carried on at CSAV workplaces in the form of enterprise orders. It will be handled strictly on a contractual basis and according to the self-financing principle. Part of the receipts left after the levy due to the state budget will be used for monetary incentive to personnel directly involved in the activity. Another part will fund the replacement costs of the supplementary activity and its future development. At the same time CSAV (SAV) will share in the receipts flowing from marketing the results of CSAV's science-application activity abroad.

A review of the results achieved during 1988 in meeting the targets of the state plan of basic research shows that Czechoslovak basic research is capable, on the basis of already existing scientific traditions, of making an effective contribution to specialization in those important fields and directions which attach to the strategically most important trends (microelectronics, computer technology, nuclear power generation, materials engineering, biotechnology). In accord with world science developments the academy has proven itself capable of quickly setting in motion long-term innovation programs in areas of significant scientific breakthroughs: superconductors, high-temperature technology, albumin and enzyme engineering, molecular electronics, genetic engineering, as well as in researching problems connected with AIDS.

The management and organs of the CSAV have paid increased attention to the subject of social sciences, in connection with the practical requirements of the restructuring of the economic and social system, and also with preparing documentation for the 10th CC CPCZ meeting. As the analysis has shown, this sphere of our science is profoundly affected by the restructuring process and its development. The job of social science is to provide a theoretical and knowledge-based underpinning for the restructuring. But this requires new conceptual and methodological approaches, as well as profound changes in the content and organization of social science research. The first results already achieved toward this end permit us to expect that the key social science work centers, especially in the sphere of economics, state and law theory, philosophy, sociology and historiography, are capable of providing intellectual stimulation to the restructuring process. But at the same time it is clear that the program of social change which the party elaborated further at the 12th CC CPCZ meeting in December 1988

requires much deeper conceptual approaches, higher scientific quality, and for the whole society a much more expressive quality of the end propositions which is the basic requirement for their correct and effective use. The groundwork for this is to come from a significantly deepened orientation of the social sciences in the Ninth 5-Year Plan, for which a number of specific SPZV programs (instead of one currently) are being initiated in the social sciences field.

A major CSAV contribution in the area of its new duties which was completed last year is the first stage of the CSSR Global Outlook to the year 2010. This document pulls together the work of a large collective of scientists from CSAV as well as the branch sphere. It was thoroughly and critically reviewed in the CC CPCZ commissions. Even though it requires further concentrated fine-tuning and updating, it contains stimulating ideas of importance for the restructuring process; the document's importance moreover lies in its anticipation of the new tasks and the new position of our social sciences as expressed in the conclusions of the 10th CPCZ meeting in October 1988.

Increasingly more attention in the CSAV (SAV) is being paid to the preparation of young scientific cadres and the need for a requalification of cadres already mature scientifically, with the main purpose of increasing inter-departmental problem-solving adaptability. Changes in the educational sphere established as a system already during the Seventh 5-Year Plan are gradually ridding it of formal aspects while strengthening flexible and effective forms of raising qualifications. The restructuring process is of great help in pressing for concreteness in this work; it motivates participants in the educational process to be active, to overcome stereotypes and ineffective approaches.

The measures proposed by CSAV to improve the process of science education and raise the qualifications of scientific workers were approved by CSSR Government by decree No 166/1988 in June of last year. These measures emphasize a more strongly systemic concept of education, its content orientation and development of interdepartmental problem-solving approaches. How the approved measures will be put in effect was discussed in September 1988 with deputy ministers of all interested federal and republican central organs and the agreed conclusions are being carried out by the individual branches within their spheres of activity. In dealing with the issues of content, an updated uniform thematic plan of Marxism-Leninism study was adopted which responds to the topical problems of restructuring and democratization and is drawn up as an open document. Under preparation is also an update of requirements for the exam leading to a candidate degree, in line with the progress of world science.

In this 5-year plan we are having gradual success in expanding the entire academic system by proven forms of group schooling; proposals are being worked out for

add-on courses and specialized seminars to foster interdepartmental problem-solving adaptability of young scientists and a permanent requalification of the scientific front.

To improve the situation in the obsolescent material-technical equipment of training work centers the CSAV proposed to the ministry branches that they create a network of well-equipped multipurpose base work centers which would be used not only for science education but also for satisfying the branches' own need for improved qualification and requalification of their personnel. Toward the end of 1988 we completed, in cooperation with the CKD—Combinat state enterprise, in principle the preparation of a work center of the base type in the field of advanced engineering technologies, new kinds of propulsion, artificial intelligence and superconductors. CSAV and SAV have also significantly expanded their offering of graduate courses, schools and seminars for the entire research and development base. With support from party and state organs we managed to obtain a certain betterment in the economic situation of trainees and personnel on outside study assignment. Yet despite all the measures that have been adopted, remuneration especially for resident science trainees (in comparison with the wages paid to university graduates in the production sphere), as well as their social situation (housing opportunities, apartment allocation) continue to be a serious problem in attracting talented temporaries and resident trainees.

The position and functions of CSAV in our society, its mission to prepare the citizenry in the process of scientific and technological progress and of social changes, its share in lifelong education and striving for higher qualification—all this gives CSAV coresponsibility for a successful implementation of all the major conclusions of the 13th CC CPCZ meeting. Even though the plenary resolution did not charge CSAV explicitly with concrete tasks, the 13th meeting's conclusions and the practical counterplan initiatives are being given attention along the entire line of CSAV management. The issue is to see the joint objectives of education and science incorporated into the system of management tools and without any long elaboration of measures spelled out in concrete personal obligations already now when a comprehensive evaluation of CSAV members, directors of CSAV work centers and supervisors of affiliated work places is under way.

CSAV responds to the suggestions and conclusions of the 13th CC CPCZ meeting not only as an institution preparing and educating workers in science and other qualified cadres, but also as a professional component of our science which is developing a knowledge-based and theoretical basis also for the development of special study areas in schools and of the entire educational system. The meeting's conclusions are therefore reflected particularly in the social sciences area, in preparing the state plan of basic research as to the structure and content of the proposed tasks.

In the field of cooperation with practical business, it is increasingly being asked that it benefit both sides and stimulate simultaneously the progress of practice and society as well as of science. At present the academy's cooperation with practical business is acquiring, along with the progress of the restructuring, a qualitatively new character embodied in the launching of joint long-term programs of the academy and key sectors of our production plant. Cooperation with branches and other central bodies is concentrated, on the basis of framework agreements, in the area of forecasting, meeting the targets of the Comprehensive Program of Research and Development Progress of CEMA member states to the year 2000, and formulation of state orders emanating from the needs of large-scale programs and projects of an all-branch or interbranch nature. Relations with selected large integrated state enterprises or associations evolve especially in the process of preparing and formulating fundamental innovation changes on the basis of jointly established long-term concepts of innovation progress. Relations with other state enterprises and organizations focus on a rapid application of the results of basic research to actual practice and on the utilization of the findings of the academy's applied-research base. The mechanisms of restructuring open a new area here for the application of nontraditional forms of joint activity.

It was on these foundations, using a direct dialogue throughout, that the academy proceeded to redefine more clearly its cooperation with practical business. Specific examples of the new approach are the state enterprises CKD, Skoda, and Chepos; cooperation already reflects in full the interests of the participants and is of a comprehensive nature. It encompasses a broad range of problems including ecological issues and forecasting. Tied into the cooperative scheme are a number of academic work centers not only from the area of technical and natural science but the social sciences as well. Of great importance is that this entry into a qualitatively new stage of the academy's cooperation with practice took place precisely in engineering which is so essential for the progress of the Czechoslovak national economy. Matching agreements are being prepared with state enterprises from other branches.

Special attention is being devoted also to a more systematically conceived comprehensive CSAV cooperation with the Prague city National Committee and selected institutions, enterprises and organizations whose activities have a major impact on the capital's future. Long-term objectives of this cooperation have been drawn up, encompassing conceptual specialized work of experts focused on six main directions. Within this framework, goals for the immediate future are regularly spelled out in specifics and refined in detail. The qualitatively new concept of cooperation between science and practice can be effected even in the conditions of ongoing changes in the organization and management of the production and R&D sphere, in a situation when there is not yet sufficient clarity on many important questions of the partners' mutual economic and legal obligations.

In order to make the work of the CSAV's and SAV's science base more effective, a comprehensive analysis of the output and problem-solving value yielded by all of the academy's science work centers was completed in this 5-year plan. It has led to proposals for gradually introduced conceptual, structural, and cadre measures. Newly established was a CSAV Institute for the Chemistry of Glass and Ceramic Materials in Prague, a CSAV Institute for General Energetics in Prague, a CSAV Institute for the Technology and Reliability of Machine Designs in Plzen, a CSAV Slavistics Institute in Brno.

In the Slovak Academy of Sciences special attention was given to a restructuring of the SAV's science centers and workplaces, refining their role and future development. A document was drawn up as "A Proposal To Improve SAV's Work Within the Framework of a General Restructuring of Society."

In spite of the extensive organizational changes taking place in the entire national economy especially after the 9th CC CPCZ meeting in April 1988, we managed to carry out the structural impact within the academy in close cooperation with the production sphere, with universities and other organizations of the R&D base. In line with the principles of restructuring intensive effort is under way to draft a concept for improving the management system of the academy and its work centers.

The foundation of the new model are two levels of management. The first should constitute a strong conceptual center represented by the CSAV leadership, a presidium as a collective organ of conceptual guidance, safeguarding and controlling the development of the academy and of basic research, delegating responsibilities to individual functionaries and presidium members. The second level of management are the academy's scientific work centers headed by their directors. The scientific work centers are the chief element in carrying out theme-specialized and guidance-oriented scientific work within the academy. It is anticipated that their autonomy and authority will be further significantly enhanced, along with a higher authority and responsibility of their directors. Overall, the new model should ensure that management work, resting on a permanent dialogue between the CSAV leadership and the work centers, becomes an open system with an inherent purposeful regulation of all functions, one that would genuinely combine a proper degree of latitude and autonomy for the work centers with their rational conceptual guidance, coordination and control on the part of the academy's central leadership.

All this of course requires also a revision of the present law on CSAV No 91/1977 of the Collection so as to give a legal basis to the proposed changes. The complex of issues connected with the work on improving management in the CSAV is affected also by new approaches to cadre work, calling for much more intensive work with the cadres. Some new approaches already put into effect involve the recruitment, selection and placement of cadres, in particular directors of science work centers,

their deputies and other functionaries. Election of new CSAV members took place in 1988 with a view to augmenting membership, reducing members' average age thus increasing their activity, and making the membership base responsive to the need for an academy capable of carrying on its scientific work.

Special attention was given to democratization in cadre work by applying new features, especially selection from a larger number of candidates including the use of competitive testing. At the same time a revision of the competitive process was analyzed and measures proposed to apply this process on the widest possible basis, especially for personnel of senior rank and those in scientific work and science education.

This year the CSAV membership is undergoing an evaluation which monitors members' activity in regard to resolving the tasks of basic research, its application in social practice, expansion of international scientific cooperation and education of young scientists. In its cadre work the CSAV leadership proceeds from the assumption that the fundamental prerequisite of success in our science is a consistent promotion and application of the principles of effective scientific work carried on in the conditions of socialism—that is, while broadening the opportunities for a creative engagement by each member of the scientific collective and offering a differentiated stimulation of both a moral and material kind. This is also connected with the issue of choosing optimum organizational problem-solving structures, as well as forms of problem-solving work and their support.

Already now we can say, noting the newly developed activities in the CSAV as well as in basic research conducted by universities, that Czechoslovak science's entry into the restructuring process from the point of view of requirements gradually formulated since the 7th CC CPCZ meeting represents in the life of the CSAV a new and dynamic period. The specific results, organizational and substantive changes in the work of the CSSR's top scientific institution, the progress achieved in tackling qualitatively new tasks of basic research in our society as well as within the framework of international scientific cooperation, all this is proof that there has been a positive change in the atmosphere of CSAV leadership and its work centers. Although even in the academy it is not easy to overcome the stereotypes of entrenched habits and approaches, we have undergone a period of substantive and critical thought about new methodological courses, searching for suitable functional structures of organization, and the honest execution of the adopted tasks. Evaluation of work results is becoming increasingly more objective, which was reflected in cadre changes in the work center leadership as well as in the election of new CSAV members.

Considerable attention is focused on issues of democratization of scientific life and in this connection especially to the need for a consistent increase in the authority of creative scientific work. Even though the discussions of problems are more open, disputes and conflicts greatly

more evident than before, it is clear that in the present period in the life of our society and especially now after the recent 14th CC CPCZ meeting, Czechoslovak science is gaining a greater certainty of a creative outlook, as well as new room for its further progress—room of necessity combined with a growth of responsibility for the creation and transfer of knowledge-based resources needed for the carrying out of the intents of social restructuring.

HUNGARY

SZOT, Social Democrats Meet; Joint Statement Issued

Joint Statement

25000489 Budapest NEPSZAVA in Hungarian
23 Sep 89 p 1

[Text] Representatives of the National Federation of Trade Unions [SZOT] and the Hungarian Social Democratic Party [MSZDP] September 22 continued political negotiations that began earlier. The following persons were present on behalf of SZOT: executive secretary Sandor Nagy, secretaries Mrs Kosa, Magda Kovacs, Laszlo Sandor and Ferenc Szalay, as well as NEPSZAVA editor in chief Laszlo Fodor. The MSZDP was represented by chairman Andras Revesz, managers Ferenc Kitzinger, Mihaly T. Revesz and Gyorgy Ruttner, national board member Mozes Kovacs, as well as by Tibor E. Baranyai representing the historical wing, and Alpar Toth for the "Renewal" platform.

The negotiating parties agreed upon the following:

Federation representatives emphasized that SZOT member trade unions intend to pursue interest representation and interest protection policies independent from political parties. SZOT regards all social movements and political parties—including the MSZDP—that represent the interests of employees, wage earners, and salaried workers in their policies as SZOT's natural allies. MSZDP representatives were pleased to hear that SZOT member trade unions are intent on renewing themselves and on breaking away from the single-party political system, as that was conveyed also by SZOT statements.

Coinciding with SZOT's position, the MSZDP attributes importance to the preservation of trade union unity and to the functioning of trade unions in the framework of a federation.

The endeavors of the MSZDP, its intent to bring about social democracy, its views concerning trade unions and its historical traditions enable natural cooperation between trade unions and the MSZDP.

The negotiating parties envision specific opportunities for cooperation in institutionalizing social partnership and in the realization of democratic control over the economy.

SZOT representatives promised to examine ways in which they may assist MSZDP in establishing conditions for operations. Accordingly, the negotiating parties agreed that in the future the daily newspaper NEPSZAVA will present a regular feature called "Social Democratic Attachment."

The negotiating delegations will establish a specialized group to develop details as to the content and form of cooperation. The MSZDP appointed Ferenc Kitzinger, while SZOT named acting division head Sandor Csintalan to organize the group.

[Signed] Sandor Nagy, Executive Secretary, and Andras Revesz, Chairman

Report on Press Conference

25000489 Budapest NEPSZAVA in Hungarian
23 Sep 89 p 3

[Article by Irene Szabo: "Representatives of SZOT and the Hungarian Social Democratic Party Negotiate"]

[Text] Shaking hands. This was the motto of a press conference held Friday [22 Sep] evening at the Benczur Street SZOT hotel by MSZDP managers Gyorgy Ruttner and Ferenc Kitzinger, and SZOT spokesman Attila Balint and acting division chief Sandor Csintalan. Quite obviously, just how meaningful ["the strength of"] the handshake that sanctioned the agreement was, will be proven only in the future. Doubtless however, it is in the interest of both organizations to find common political and social grounds which help society prosper, and which lend themselves suitable for joint action.

In response to an MTI reporter's question as to whether economic policy issues were discussed by SZOT and MSZDP leaders, Ruttner responded in the negative, saying that Friday's negotiations had a different purpose. But that different purpose is extremely important, because nowhere in the world are there social democratic parties which function without trade unions. Since the MSZDP accepts SZOT's words that its intention to renew itself is serious, and since steps have been taken which serve to prove that transformation has begun indeed, the MSZDP feels that the handshake is warranted. One such step is the SZOT executive secretary's resignation from the [Hungarian Socialist Workers Party—MSZMP] Central Committee. Moreover, the MSZDP is convinced that it can assist the trade union membership belonging to SZOT in the difficult task of transformation. Shortage of time, and the way SZOT views its own role in a multiparty system also warrant the establishment of relations. The MSZDP does not want to coordinate its thoughts ["to contact in thought"] with the SZOT leadership, but with the millions of workers who represent the trade union movement, Ruttner said. Quite naturally, negotiations will continue, and soon there will be specialized groups to deal with economic policy. Kitzinger added that since the MSZDP is a democratic organization, it has conducted or will

conduct negotiations also with the alternative organizations. They will do so, if for no other reason because they will support the joining of all trade unions in the framework of a federation.

Responding to a NEPSZABADSAG reporter's question whether the proximity of elections explains the handshake, Ruttner did not rule out the fact that the MSZDP hopes to receive the trade union movement's political support. But such support is possible only on a mutual basis, he said. In Ruttner's view trade unions would be mistaken if they independently nominated their own candidates for representative. That is a party function, not a trade union function.

Csintalan noted that trade unions have different ideas in regard to this matter, and that they have several alternatives by which to define themselves. When trade unions say that they want to exert their efforts independently from political parties, they also say that they will establish alliances with political parties which support [the union's] controlling role in the political and economic fields. As an aside, Csintalan also noted that the appearance of the social democratic party in Hungary clearly meant that a trade union ally emerged in the political arena. In regard to the election itself Csintalan said that the union will decide the merits of this issue upon the enactment of the election law. The trade union movement's conduct in the elections depends on the election law. Most certainly, however, the trade union movement is seeking alliances with political parties, but will not permit any party to involve itself in the movement's election strategy.

Radio Free Europe inquired whether the MSZDP trusts the 4.2 million SZOT members to follow the handshake of the organizational leaders. Ruttner responded in the affirmative. In his view many sympathize with the ideals of social democracy, and the MSZDP intends to be responsive to these traditional feelings. In Kitzinger's view social democracy cannot be alien to the idea of independent and free trade unions.

Questions related to the charge of social demagogism were asked repeatedly. Csintalan said that one may call the protection of societal interests this way, but it would not hurt to examine who was using that term. Ruttner was asked if the MSZDP was concerned with loss of credibility as a result of the fact that it wants to cooperate with SZOT which only yesterday functioned as an MSZMP satellite, then changed colors. In his response Ruttner said that what the reporter considered as a changing of colors is regarded by the MSZDP as a turnaround. Turnarounds are needed in political life, there are no real changes without a turnaround. Csintalan expressed hope that also the new parties and organizations will soon develop a historic record, and that there will be some who notice that the umbilical cord was cut in the framework of the new relationship between the MSZMP and SZOT. One must also clearly recognize of course that in today's Hungary every organization tries to acquire credibility by disintegrating the

federation of trade unions, by destroying the credibility of the trade union movement. In conclusion Csintalan said that contrary to rumors SZOT does not have an organizing and cadre division, nor does the enforcement of party jurisdiction exist.

A question pertained to the issue of whether at this point the MSZDP considers SZOT's call for a nationwide strike a mistake. Ruttner responded by saying that they did not regard that call as a fortunate decision in the past, nor do they consider it as fortunate at present. But the MSZDP regards the prime minister's offensive reactions to that call even more unfortunate. In the MSZDP's view this was a strike below the belt. In SZOT's view, however, strikes constitute union business. They did not request anyone's permission, nor will they in the future. They will not dissuade workers from striking as long as demands made by workers are regarded as just. A journalist asked why SZOT chose the MSZDP at a time when all party platforms contain abundant promises. The SZOT spokesman responded by saying that the MSZDP was chosen obviously because declared party programs are abound with coarse [ideas] about establishing a market economy, while not a single word is said about millions of people becoming increasingly poor.

The NEPSZAVA reporter asked whether they are considering the fact that in Hungary several generations are unfamiliar with social democratic ideals. A latent knowledge about social democracy exists even in those who never dealt with social democracy, came the reply. Ruttner expressed his view that in the framework of MSZDP and trade union relations it was very important that fear that has been instilled in people cease to exist. Everyone should dare to think freely.

Refusal by SZDSZ, FIDESZ To Sign Trilateral Agreement Explained

*25000487A Budapest HETI VILAGGAZDASAG
in Hungarian 30 Sep 89 pp 78-79*

[Interview with Imre Konya, Independent Lawyers' Forum representative, by Florian Mezes: "An Independent Lawyer Responds: 'The Opposition Maintains Its Unsatisfied Demands'"; date and place not given]

[Text] Last week a unified opposition—the Opposition Roundtable organized by the Independent Lawyers' Forum [FJF]—reached an agreement with the Hungarian Socialist Workers Party [MSZMP] concerning a few fundamental laws for a democratic society. The agreement was burdened with many compromises, nevertheless according to an FJF statement also released last week, the FJF does not regret the shortcomings. Instead it argues for a unified opposition in the elections. FJF Representative Imre Konya (age 42) discussed why unity is most important just before the elections.

[HVG] Almost immediately after reaching the trilateral agreement the FJF issued a statement. The rush and the statement's tenor suggest that the FJF is desperate

because opposition unity ceased to exist as a result of the agreement. For this reason the FJF calls for new unity in the course of the upcoming elections.

[Konya] I do not believe that the statement reflects despair. It does reveal one thing though: We believe that opposition unity is of paramount importance. The record of the past 6 months confirms this. That is, the establishment of the Opposition Roundtable served to unite the opposition, and due to this unity the MSZMP could be forced to sit down and negotiate, even without the opposition possessing power. This then suggests that a political force capable of exerting pressure on the MSZMP—the exclusive holder of power—must present itself. Quite naturally, a political organization would also be capable of exerting pressure if a significant mass of people stood behind it. As of today, however, it is debatable just what kind, and how large a force supports the various opposition groups. On the other hand, it is beyond debate that opposition groups joined together are able to move serious masses, as was shown on 15 March, or in the case of Transylvania, for example. Accordingly, opposition unity continues to be important, and more important than before in an election period. The MSZMP will clearly benefit from the elections if the opposition falls apart. Quite naturally, I do not have coalition in mind, because each group must demonstrate what it is able to do. Instead, I have in mind a mediation forum where some basic principles could be agreed upon, principles which enable opposition groups not to compete for votes with each other.

[HVG] I do not clearly understand why an advance agreement between organizations on "certain" basic principles does not constitute a coalition. This is an election coalition in my view.

[Konya] It is not, because coalition would imply that opposition groups nominate joint candidates. Incidentally, the possibility of forming coalitions has been virtually ruled out as a result of the election law concept adopted at the trilateral negotiations. The essence of that concept is that in various ways the losers hold on to the votes they receive. Accordingly, each group benefits most by running on its own, and by obtaining as many votes as it can. The opposition organizations should be united in their support of any one of the opposition candidates receiving the most votes in the first round of elections, and that support should be manifested in the second round of elections. We expect a second round of elections in many districts. It appears likely that none of the parties running in the elections will receive a majority of the votes needed to win in the first round of elections. The proposed legislative concept is based on the idea that at least three parties acquire a sufficient number of votes to continue in a second round of elections. Most certainly, in many instances this will include the MSZMP and two or more opposition parties. The opposition should be united in the second round of elections supporting the opposition candidate who received the largest number of votes in the first round. This framework would indeed constitute coalition, but

only in the second round of elections. But since they would be supporting a common candidate in the second round, it is possible to rule out a struggle for votes within the opposition, as well as a campaign in which opposition candidates discredit each other. They would lose credibility if they began to accuse each other. Irrespective of who governs, belt tightening will be needed to extricate the country from its economic crisis. Such restrictive measures can be implemented only by a government with credibility.

[HVG] The idea of the opposition accepting methods suggested by the MSZMP has to do with credibility. This preliminary agreement sounds to a large extent as if the MSZMP had manifested unity.

[Konya] In this regard the issue does not revolve around individual opposition organizations forcing other opposition organizations to accept programs. That would be the MSZMP method. All we want is to avoid a deterioration of credibility in the framework of an election struggle. This country is experiencing a great crisis of confidence, a lack of confidence primarily in the Communist Party. But through that the crisis also extends to politics in general, to everyone involved in politics. How would it be possible to acquire credibility under such circumstances? The MSZMP has an advantage because it possesses power. This also means that through its government it is able to take steps to strengthen confidence. It can open the borders for GDR refugees to leave, it can tear down the Iron Curtain, it can halt Bos-Nagymaros, and it can relax restrictions on travel abroad. Meanwhile, the MSZMP has fully adopted the opposition's rhetoric, and even its programs. The opposition cannot take steps to strengthen confidence, and it cannot use a different rhetoric. Because the rhetoric used is that of the opposition. The opposition is able to prove that if needed, individual opposition organizations are capable of stepping aside, as they did when they united in the framework of the Opposition Roundtable. If in the course of elections the opposition fell apart, citizens could easily say that when it comes to acquiring power the opposition is no longer united, each organization wants power for itself only.

[HVG] On the other hand, every organization that participates in the elections must present a different program, and election speeches must emphasize differences. If that is done, the opposition organizations would be talking against each other.

[Konya] This is a natural phenomenon. The only thing these campaigns should not mean is that the various opposition candidates discredit each other's programs, as well as each other personally. I would also find it useful for opposition organizations to jointly organize their election propaganda, that they hold joint election rallies. Having become indifferent to politics, the populace can hardly be expected to take part in hundreds of election rallies. Thrift also supports the idea of joint appearances. The opposition organizations have hardly any money, and it would be cheaper to print pamphlets

and other things jointly. Everyone would be represented in these materials. This would be cheaper than printing the same volume of campaign material separately for each organization.

[HVG] Quite a few opposition organizations expressed reservations after consummating last week's trilateral agreement. Better said, they refused to sign the agreement. Viewed from the outside, it would be difficult to conclude otherwise than to say that already at this point the opposition is not united, even though the Roundtable did not cease to exist as a matter of formality.

[Konya] This is indeed the appearance, but it is a false appearance. Those who did not sign did so on the basis of tactical political considerations, and their failure to sign has nothing to do with the substance. They were united with regard to the substance, namely that all Roundtable organizations wanted to achieve a written agreement with the MSZMP, by which the MSZMP can be held to account. Unless the agreement is in writing, there is nothing to refer to if the MSZMP's Parliament does not accept the agreement, or if it accepts it in a different form. The Alliance of Free Democrats [SZDSZ] and the Association of Young Democrats [FIDESZ] did not use their veto power in order for a signed agreement to come into being. But they declared that the opposition maintains its unsatisfied demands, because it regards those as elementary conditions of democracy.

[HVG] According to the agreement the signatories will do everything so that their respective organizations accept the "supreme" agreement. This is hauntingly reminiscent of a matter called democratic centralism, meaning that there can be no contrary opinion after the agreement. Only implementation can take place. In other words, once again we are witnessing the return to old methods which effectively contributed to the evolution of the crisis of confidence.

[Konya] This is not democratic centralism. All that took place is that the opposition did not want to negotiate with the MSZMP without the MSZMP guaranteeing that the agreement would be sanctioned by its Parliament. Only the MSZMP has a duty to act. A number of compromises had to be made, such as the exclusion of the public, simply because the MSZMP stated that it would not negotiate if the expert and midlevel negotiations were open to the public. The minutes show this statement. The fact of having to negotiate itself represented a disadvantage to the opposition, because during the negotiations it was unable to enlist mass influence—it simply did not have time to do so. The MSZMP representatives sat at the negotiating table while receiving salaries. The opposition spent its free time negotiating. Nevertheless, in my view, these disadvantages had to be accepted, because it is very important that the transition to a democratic society takes place in a peaceful manner. The opposition does not include a single force that speculates on the use of force, as compared to certain groups of those who hold power. It is possible that the MSZMP will suffer defeat in the

elections, yet will refuse to yield power simply because it holds power. It is equally possible that the MSZMP will simply not agree to free elections. The opposition has only one weapon with which to counter such possibilities: having a public, signed, and sealed agreement in its hands to which it can refer.

Initial Action on Municipal Home Rule Reported

Nemeth Supports Sopron Proclamation

25000487B Budapest NEPSZABADSAG in Hungarian
30 Sep 89 p 5

[MTI report: "The Principle of Popular Sovereignty Demands Real Autonomy; Letter From Miklos Nemeth to the People of Sopron"]

[Text] Council of Ministers chairman Miklos Nemeth responded on Friday to a recent proclamation in which citizens of Sopron demanded political and economic home rule for Hungarian cities and municipalities. The essence of their initiative is that the laws on local autonomy and the state budget guarantee autonomous decisionmaking at the local level regarding local affairs, and that having no autonomous jurisdiction, county councils should become interest mediation forums for local governmental bodies. Further, the citizens of Sopron urged the establishment of financial foundations for autonomous local governmental bodies, including autonomous property, local taxes and guaranteed standard state subsidies and local institutional systems. A number of municipalities joined the proclamation.

In his letter the prime minister stressed that "Your endeavors coincide with government objectives, and also enjoy my far reaching personal support. For this reason you should regard this letter as my personal signature affixed in public in support of your proclamation. Administrative reform is an important part of economic, social, and political renewal. In the absence of democracy in places where people live, and without civilian society in autonomous communities which bring life to its fulfillment, a multiparty system and pluralism remain hollow forms.

"A peaceful, democratic transition may be realized only by a society which builds from the grass roots, one that has self-molding, self-organizing local communities as its basic cells."

The prime minister also said that a conceptual framework of rules governing autonomous governments has been developed. It was accepted by the presidium of the National Association of Autonomous Governments as a basis upon which further advancement can be made. The government is determined to submit this legislative concept paper to Parliament as soon as possible, and to perform the necessary coordinating functions (primarily in regard to the state budget law and the land law).

In his letter Nemeth states that "I commit myself on behalf of the government that solid foundations for our

new, democratic constitutional state be established within localities enjoying real autonomy; that the communities and citizens of cities and municipalities be placed in charge of their respective settlements; and that home rule, to be achieved by decentralizing power, is an indispensable and elementary right of every municipality. Not only should the central government restrain itself in the exercise of local power, society should also limit the central power through the independent, autonomous administration of local affairs."

Nemeth pointed out that "The government has a sense of responsibility for the establishment of conditions needed for the achievement of real autonomy. This can be accomplished primarily by recognizing—returning—autonomous property, through the establishment of their own resources, and by providing state support to ensure that settlements are secure, and that settlements and regions possess the strength to sustain themselves.

"It is our goal that autonomous governments manage their affairs independently, that they engage in enterprise, and that they aim to increase the property and value of settlements in a manner characteristic of good custodians. This care must be extended not only to material goods, but also to the values, traditions, and culture of community belonging and cooperation. Let local autonomous governments foster the self-awakening of settlements. We are convinced that only in this way will people be able to sense the advantages of democratic transformation, and that only in this way can they free themselves from the shackles that restrict their free initiatives.

"The main function of counties is to assist and to serve local autonomous governmental bodies. They can do so by becoming interest mediation forums regarding issues of merit, and by performing areawide functions which the central government is unable to perform directly, or which exceed the capacities of local autonomous governmental bodies."

In closing, the prime minister spoke directly to the citizens:

"City residents, villagers, my fellow citizens!

"The principle of popular sovereignty will remain a vague abstraction unless it is realized by citizens of municipalities led by autonomous governmental bodies. This is our goal, and this goal must be achieved jointly by legislators and the government—both of which received their mandates from the people—and by the citizens of this homeland. For this reason I am asking you to do more than simply sign the Sopron proclamation. Citizens should become the sources for, and creators of the law on autonomous government by virtue of their participation in public life. Only in this way can we establish for ourselves a home in our settlements that is larger than our apartments, and in this homeland which has remained Hungarian."

Home Rule Provisions To Emulate Western Models

25000487B Budapest NEPSZAVA in Hungarian
3 Oct 89 pp 1, 5

[MTI report: "Local Autonomy Is a Collective Right"]

[Text] Changing social conditions in Hungary, and requirements stemming from the democratic transformation of state and political administration make it necessary to reform the council system along the lines of autonomous governmental bodies. This, however, is an extremely complex task. This finding is part of the regulatory concept concerning autonomous governmental bodies at the municipal and county levels that was discussed at Monday's session of the Council of Ministers' Council College chaired by Miklos Nemeth. The discussion paper makes reference to the fact that the council system was subject to several corrective changes in the 1950's, and that it has essentially exhausted its reserves. There is a societal and professional consensus concerning the fact that fundamental and comprehensive reform, rather than further modernization is needed.

In his introductory remarks Deputy Interior Minister Imre Verebelyi stressed that the proposed concept intends to follow basic values produced by developed democratic systems which follow home rule principles. The Hungarian concept is closely tied to the European concept of autonomy which regards the right to autonomous government as a collective human right to which municipalities are entitled. In Verebelyi's view political forces pay increasing attention to functioning local power factors. The time has come for the Council of Ministers to discuss the issue of local autonomy at the governmental level. This topic is expected to be placed on the agenda during the second half of October, and parliamentary debate will take place thereafter. But the new home rule law is likely to be adopted by the new National Assembly.

Nemeth stressed the importance of consistency between e.g. the state budget law, the land law, and the guiding concepts of proprietary reform on the one hand, and the underlying concept of the home rule law on the other. These laws and concepts must not be in conflict with each other.

Responding to questions, the prime minister said that no central funds are available to settle the issue of wages paid to council workers, nevertheless ways must be found both in public management and in state administration to formulate automatic features regarding wages, particularly for that 2- or 3-year period before the inflation rate can be reduced to single digits.

Government Offers Compensation for Victims of Stalinism

90EG0016A Budapest NEPSZABADSAG in Hungarian
11 Oct 89 p 7

[Unattributed article: "Compensation for the Interned and Displaced"]

[Text] Yesterday the National Main Directorate for Social Insurance and the Interior Ministry issued a joint statement through MTI [Hungarian Telegraph Agency] concerning the implementation of the decree governing the settlement of the status of certain individuals whose personal freedoms had been restricted by way of punitive measures. Decree No 104/1989 (X.4) of the Council of Ministers regulating the settlement of the status of individuals whose personal freedoms had been restricted by way of punitive measures was first published in issue No 67, 1989, of MAGYAR KOZLONY. In order to enable the public to take full advantage of the benefits of the law, we would like to call attention to the following:

1. The statutory provision in question pertains to those:

a) who had been interned between 1 January 1945 and 31 December 1948;

b) who had been deported between 1 January 1945 and 31 December 1953, provided that they had turned 14 years of age by the time the deportations ceased;

c) who in connection with WWII had been sentenced to prison by a Soviet military court and had served their terms in the Soviet Union; and

d) who in connection with WWII, had been shipped to the Soviet Union to work.

Persons who have been receiving a pension or an agricultural cooperative-paid annuity since prior to 1 Nov 1989, and whose time in internment, deportation, or in the Soviet Union (or any portion of those periods) had not been taken into account at the time their pensions were computed must—as the first step—contact the administrative department of the secretariat of the Interior Ministry (Budapest, 1903, P.O. Box 314) and request an official certificate. It is important that in addition to listing his personal data (name, former name, place and date of birth, mother's name, and address) the petitioner also indicate in his letter from when to when and where his personal freedom was restricted. Also to be declared is whether or not the period during which his personal freedoms had been restricted was already taken into account in computing his length of employment and service, as well as the purpose for which he intends to use the official certificate (i.e., for employment or for settling pension-related claims).

To be attached to the petition, if available, are (photocopies of) all supporting documents attesting to the curtailment of personal freedoms. Upon review, these

documents will be returned to the sender. Also to be included in the letter is the pension recipient serial number of the applicant.

Once it has received the petition, the administrative department of the Secretariat of the Interior Ministry will make out the official certificate on the basis of its own information on record and of the data furnished. Should the data provided be incomplete, it will send a data request form to the petitioner. In such instances the official certificate will be prepared upon the return to the administrative department of the data request form (provided that it contains all the data necessary for processing the official certificate.) If the petitioner is unable to offer verifiable proof as to when or where his personal freedoms had been restricted, and if the records of the administrative department of the Secretariat of the Interior Ministry also fail to support the claim, eyewitness verification will be requested. Eyewitness verification will have to be rendered according to the guidelines specified on the data request form.

Upon approval, the applicant must submit the original copy of the official certificate to the organization that pays his pension or annuity. Subsequently, the pension-paying organization will, going back 6 months from the date of receipt of the official certificate, but not farther than to 1 August 1989, raise the petitioner's pension or annuity by 500 forints per month.

Pensioners will only be entitled to a single increase of 500 forints per month, even if they meet the criteria specified in more than one of the categories listed under paragraphs a. through d. Individuals whose pensions have been (or are scheduled to be) increased in restitution for internment after 31 December 1948 are not entitled to an additional 500-forint increase.

Widows will receive a monthly supplement of 250 forints to their current pensions and annuities, provided that they obtain the required official certificate from the Interior Ministry pertaining to their husbands who had to have deceased before 1 November 1989, and forward that certificate to the appropriate pension-paying organization. The same applies to those receiving parental pensions or orphan's allowances after a deceased pensioner.

2. The pensioner or his widow may, by submitting a formal request, choose to have his pension prorated rather than supplemented by a fixed sum. Should the pensioner elect this latter option, his official certificate must be sent not to his current pension-paying organization, but to the agency that had originally determined the amount of his pension.

In the case of prorating, the time spent in internment, deportation, and in the Soviet Union may be combined by applying the statutory provision that had originally been used to determine the petitioner's pension. (Since the terms of earlier statutory provisions were less favorable than those currently in force, and since wages were considerably lower than what they are today, in most cases a fixed-sum increase will be a more favorable option.)

3. In the case of individuals entering retirement after 31 October 1989, the time spent in internment, deportation, and in the Soviet Union, as documented in the official certificate issued by the Interior Ministry (in certain cases combined, but each calendar period counting only once) will be computed as regular service time.

Individuals entering retirement will receive the full 500 forints per month even if on the basis of prorating they would be ineligible to receive this benefit, or would only be entitled to a supplement of less than 500 forints.

Also to be taken into account in the case of future retirees is the time spent in transit camps upon returning from the Soviet Union. This latter period in itself, however, does not entitle one to the 500 forint supplement.

Since the length of service plays no importance in determining one's agricultural and cooperative annuity, upon submission of the required official certificate such annuities will continue to have to be computed with the increase of 500 forints if requested by the claimant himself, and by 250 forints if claimed by his widow.

POLAND

Lodz PZPR First Secretary's Resignation Detailed

90EP0008A Warsaw TRYBUNA LUDU in Polish
1 Sep 89 pp 1, 3

[Article by Zenon Kulej: "After the Open Letter—Plenary Committee Meeting—What Will Be Next?"]

[Text] On Wednesday, 30 August, at the plenary meeting of the Lodz PZPR Committee, the first secretary of that body, Jozef Niewiadomski, resigned from his post. Why did that happen? What were the inner workings behind a leadership turnover in one of the largest voivodship Party organizations in the country?

Several days earlier, on 22 September, TRYBUNA LUDU published a text entitled, "Polmerino Party Organization Demands Recall of Lodz Authorities." The text of the open letter from a comrade at the Polmerino worsted yarn spinning mill was also published—after repeated opposition from the Lodz body—in GLOS ROBOTNICZY, the organ of the Lodz PZPR Committee.

Can one organization, one letter, have an effect on an important cadre decision? As it turns out, yes.

The plenary meeting itself of the Lodz Committee on 30 August vacillated among various versions of the decision. The journalists felt the first of the indecisions on their own hides. No more than 15 minutes before deliberations opened the executive board of the Lodz Committee ruled that the plenary meeting would be held behind closed doors.

I do not know whether Secretary Leszek Miller of the Central Committee had to work for a long time to convince the executive board of the harmfulness of this attitude toward publicity, but the fact is that after his arrival at the Lodz Committee building, the barriers against the reporter assigned by TRYBUNA LUDU (and his colleagues from the Lodz party press) were removed. And a good thing it was, too, because this is no time to be concealing the inner workings of important decisions from party members, when people want increasingly to know not only the rulings, but the path that was taken to them.

The agenda contained one item: organizational matters. After welcoming the guests (besides L. Miller, another member of the Political Office, Wiktor Pyrkosz of Lodz, was present in the room), Jozef Niewiadomski said that he wished to make a statement. He read a text comprising 5 typewritten pages.

The first secretary of the Lodz Committee spoke about difficult matters in Lodz—construction and the municipal economy—and emphasized that the crucial factor in solving the morale problem is supplies of fresh and preserved meat. And that these have been very poor recently. Lodz has never been a self-sufficient city. Even before 1975, when it was the capital of a large voivodship, meat was brought in from other regions. Now, after the marketization decision, what was most feared has come to pass. Instead of a minimum of 100-220 tons of meat daily, Lodz received 50-60 tons daily in August.

Here a digression: it is precisely the poor food supply that was one of the causes of the bitter protest by the party organization at Polmerino.

Jozef Niewiadomski explained his helplessness. He spoke of appeals to central authorities that had no effect. "Dramatic, idiosyncratic 'breakdowns' in the supply process and irregular shipments of foodstuffs, including bread, are creating such enormous tension that those of our party organizations that are being attacked the most will not be able to hold out. They are looking for the people at fault, they do not believe any of the information saying that the marketization decision, for which Lodz was not and is not prepared, was made by the government as a result of an ultimatum from rural organizations. They do not believe that it is impossible, in August, to stop the next 'wave' of vacations in businesses engaged in food production, in transportation, or in the entire distribution system. They hold that the First Secretary of the Voivodship Committee or the president—being the bosses, as it is said—can take all these matters in hand and ensure reliable deliveries of goods, and so on. But unfortunately, in the current situation, that is utterly impossible under the present rules of the game!" He said that he had devoted his entire life—he is 56—to the struggle for "our city, our Lodz." This was a ceaseless struggle to have Lodz take its proper place on the socioeconomic map of the country. Lodz's economy, Niewiadomski said, generates enormous revenues, in hard currency as well. But most of it by far is

collected by the national treasury, because there are debts, interest, increasing demands for pay raises, and subsidies for unprofitable mines, foundries, shipyards, etc.... And the outcome: Lodz industry operates at only 67 percent of capacity. The lack of funds for the purchase of raw materials and semifinished articles gives rise to a sense of instability. Either the country's economic policy in this sector will change, or things will be the way they have been to date: picked clean!

"But," he added, "economic policy is run by the government; the Sejm and Senate, not our Lodz Committee, nor its first secretary, can change it."

In conclusion, Jozef Niewiadomski spoke of the letter from Polmerino, which "focuses the attention of the Lodz party organization and no small proportion of our voivodship inhabitants. This letter created the conviction, and this is a political fact, that only changes in personnel are capable of reversing this evident regression. I have been functioning in the post of first secretary, not for the sake of the post itself, but in order to implement the resolutions of this body and of the party organizations, for the good of Lodz and the Lodz voivodship. In the situation that has arisen, I see no possibility of continuing to function as such."

Returning to his role as meeting chairman, J. Niewiadomski asked that there be no discussion of his resignation. Who is in favor? The majority. Opposed: 2; abstentions: 7.

From that moment on, the Lodz Committee had no first secretary. Nobody brought up flowers, nobody expressed gratitude. J. Niewiadomski continued chairing the meeting. He announced that deliberations had been going on since Tuesday concerning candidates for the vacant position. Many names were bandied about, many people refused to run. Three candidates remained. A moment later it turned out that the only one of the three who had not changed his mind was Adam Walczak, the present Lodz Committee economic secretary.

Another motion was made: not to vote today, but to appoint a committee to hold further deliberations with the active membership. This was a critical moment in the meeting. Lodz has not had a president for 3 months; would it also have to be deprived of a Voivodship Committee first secretary as well, if only for a few days? A discussion began, arguments pro and con were raised: "Three or four days won't save us," said one of the comrades, to whom the riposte came from Krzysztof Jagiello: "We can't delay. People are criticizing us for being lazy. Are we looking for leaders? Let's vote them in today!"

A vote followed: 41 were in favor of an immediate resolution, 30 (including the former first secretary of the Lodz Committee) were in favor of further deliberations.

Then Wieslaw Pus, first secretary of the Collegiate Committee at the University, asked for the floor. He announced the candidacy of Karol Stryjski, doctor of

political science, former secretary of the District Committee (before the Ninth Party Congress), a scholar and a man of letters, and president of the Polish Writers' Association Division. He is, according to Comrade Pus's electioneering, an "uncompromising" person who easily makes contact with people.

The presidium handed down the name of a third candidate, Andrzej Kazimierzczak, first secretary of the Downtown District Committee.

Before the three candidates were submitted to the vote, each was asked to introduce himself and his platform. Then the tellers' committee took over. Of 103 members of the Lodz Committee, 76 were present. Kazimierzczak and Stryjski remained members of the Lodz Committee with no problems (having received 53 and 55 votes, respectively), but Adam Walczak did decidedly better in the voting for first secretary of the Lodz Committee: he got 42 votes. Stryjski received 27, and Kazimierzczak got 7.

Leszek Miller was the first to congratulate Walczak publicly. It would have been bad if he had not taken the floor. Earlier on, in the lobby, the members of the Lodz Committee had not concealed their desire to hear what the secretary of the Central Committee had to say. So Miller spoke warmly of his collaboration with Comrade Niewiadomski (this was a reminiscence of their days as secretaries in Skierniewice), and immediately thereafter spoke of the need to hear out voices like the one from Polmerino, even if they are off the mark. Because the worst thing of all is not to have a position, apathy at the party's lowest levels.

Leszek Miller spoke on behalf of the Political Office of the Central Committee on the desire for closer cooperation with Lodz authorities. After all, the city, its inhabitants, its hard working women do not deserve daily difficulties that are more severe here than elsewhere. But at the same time, he pointed out the need for changes in attitude. After all, less and less is being decided in the capital, while more and more reliance will be placed on local authorities.

This was followed by a commentary on the decisions of the Fourteenth Plenary Meeting of the Central Committee. Here there was the well-known interpretation of the need for the PZPR to support the Mazowiecki government. But not at all costs! The Central Committee secretary announced that the Fifteenth Plenary Meeting of the Central Committee would be called right after a new cabinet is formed. The Central Committee should take a stance on the premier's stated program and indicate what it does and does not agree with in the government's platform. At that Plenary Meeting we also ought to accept more precise instructions for organizing party members prior to the Congress, to resolve certain dilemmas that will be approaching us before the Eleventh Congress, and approve a timetable of preparations. Miller cautioned that we should not rule out the possibility that the Fifteenth Plenary Meeting would be called

prior to the formation of a cabinet. That could happen if the premier's proposals were unsatisfactory and made it impossible for the party to support the government.

Anyway, dispositions toward this last point are a complicated matter. Among other things, the way the cadres are treated will be decisive. If the hypothesis that only competence counts wins out, fine. A clear majority of card-carrying party members are competent. But if a witch-hunt should start, if criteria other than merit should be the basis for decision, then it will be necessary to stand and fight. In this context, Leszek Miller spoke of the need for solidarity within the party, greater kindness, fraternal warmth, an atmosphere of concern for another comrade's problems.

The plenary meeting was coming to a close. Adam Walczak expressed gratitude for having been elected and asked for cooperation. He thanked his predecessor, and also his comrades at the University for being kind enough to support the democratic nature of the elections.

But it was not over yet. A question came from the floor: What about the issue of a president? What position are we taking? This turns out to be a delicate matter still. The ZSL [United Peasants' Party], the SD [Social Democrats], and PAX have already been consulted. To date, the strongest candidate for president of the city was Walczak. And he had dropped out of the race. Whom would the party present to the PZPR deputies' club? Three names were mentioned during the short discussion, but those in question either said no, or made whatever decision dependent on conversations with PZPR, ZSL, SD, and unaffiliated deputies first. After all, these are no longer the days in which the Voivodship Committee nominates the president of the city in all its majesty. And that is the most urgent issue that Adam Walczak took upon himself along with the post of first secretary.

At any rate, the people of Lodz do not want to live without a president for long.

Quality of Personnel in Administration Stressed

90EP0038A Warsaw RZECZPOSPOLITA in Polish
20 Sep 89 pp 1-2

[Interview with Professor Jerzy Kolodziejski, secretary of state, Office of the Council of Ministers for regional administration affairs, by Janusz Trylinski: "Today, Loyalty Alone Is Not Enough"; date and place not given]

[Text] [RZECZPOSPOLITA] Mr Minister, let us perhaps begin with a few facts from your biography which characterize your political and moral profile: Jerzy Kolodziejski, administrative theoretician and practitioner, land-use economy specialist, PZPR member. From 1977, deputy governor and later Gdansk governor, negotiator in the August agreements from the government side with, among others, the present premier, T.

Mazowiecki. Sixteen months of cooperation with Solidarity ends with "removal" from the post of voivode following....

[Kolodziejski] Following my earlier resignation at the beginning of martial law. As an individual working productively in cooperation with Solidarity, an advocate of understanding and not confrontation, I could not and was incapable of suddenly changing fronts and in December of 1981, I decided to leave. In point of fact, this occurred on 22 January 1982, from one hour to the next, after a telephone command was given by Warsaw. I returned to academic work at the Gdansk Polytechnic. I met T. Mazowiecki at the roundtable where I cochaired the "ecological subcommittee." The decision to assume the present post was not easy since I am rooted in Gdansk in all of its possible configurations. However, the conviction that this is a last chance government prevailed over everything else.

[RZECZPOSPOLITA] How do you see your role in its implementation? Party members dominate in the managerial cadre from the voivodes on. The question that is being asked currently is: What is the administration like and how is it perceived, i.e., to whom does it belong?

[Kolodziejski] I believe that in the very near future, the main political forces will, on the one hand, strive toward maintaining that which they have and on the other hand, toward filling posts in the local areas of the country. This will mean a game in which every undertaking by the administration, even the most politically neutral, will frequently be entangled in a competitive context. In such a situation, I will strive toward shaping, calming and creating accord for the implementation of increasingly more complex tasks.

[RZECZPOSPOLITA] Let us, however, state point-blank: Will there be a replacement of cadres or not?

[Kolodziejski] We are noting an attitude of "waiting things out": vagueness, noncommittal in keeping with the principle that a "lukewarm" administration comfortable for everyone will preserve itself and remain. The reinforcement of such an option constitutes a great danger to the implementation of government policy. We shall do away with such people. On the other hand, "aggressiveness," initiative and resourcefulness in one's own local area will be promoted. To put it as briefly as possible: loyalty is not enough these days. Thus, in answer to the question, whose administration, I reply—of the state, of the Polish Government without any other attributes.

[RZECZPOSPOLITA] Nonetheless, the truth is that the forces forming the administrative coalition are aspiring toward occupying seats in the administration. In any case, the electorate demands this of them.

[Kolodziejski] The domination by the PZPR thus far must be broken. New cadres must be trained gradually. Currently, however, we must rely on the people that we have. I would like to recall here a relevant excerpt from

the premier's expose. The aforementioned aspirations are natural and understandable. However, we cannot allow cadre changes to bring about paralysis of the government. Moreover, the scope and complexity of the problems result in that today a voivode-politician is not enough. This must be a first-class professional. At the same time, I feel that we must reach out to managers, to young people who, thus far, have not had the opportunity to reveal their potential.

[RZECZPOSPOLITA] Up to now, the real decision-making center has been the PZPR Voivodship Committee. Currently, there is the threat of danger that the number of these centers will increase by Solidarity, the ZSL and the SD. In such a situation, voivodes will most readily opt for compromise. Thus, where does this leave room for "aggressiveness" and daring which you mentioned?

[Kolodziejski] This is, indeed, a threat. I fear a situation in which by trying to please all the political forces, the undertaken solutions will not be able to meet the needs. This would mean a dramatic decline in effectiveness. We must actively control these processes.

[RZECZPOSPOLITA] Control?

[Kolodziejski] That is, not to allow the emergence of conflict situations. We must anticipate events, carefully observe trends and analyze whether they are arising solely from circumstantial interests not backed up by the need for putting forth better ones or whether the changes will lead to an improvement in the situation of voivodships. And again, this is where my role enters: extinguishing existing conflicts and preventing new ones.

[RZECZPOSPOLITA] You keep on referring to the quality of cadres but what about their chances in independent enterprises, cooperatives, banks, etc.?

[Kolodziejski] Naturally, a voivode's authority is often illusory or ornamental. I feel, therefore, that all already existing powers should be utilized in full but at the same time, the laws changed so quickly so as to strengthen the government at the voivodship level. This is interrelated with the new concept of territorial self-government which I fully support. If this self-government is to function well and be autonomous and enfranchised then, at the same time, there must be strong state authority. In such a situation, a voivode will be able to involve himself in negotiations of various causes. Naturally, local self-governments will conflict with the interests of the state as a whole. I feel it is essential to strengthen the voivode's role as a representative of the government locally already at this point without waiting for the legislative procedure pertaining to self-government. At the same time, the prompt handing down of means and powers to the lower ranks is necessary. The voivodship level should fulfill strategic and conceptual functions.

[RZECZPOSPOLITA] But those presidents and directors are resisting against taking over these functions....

[Kolodziejski] You are right. Nonetheless, I feel that it is necessary and possible to break resistance.

[RZECZPOSPOLITA] A strong, efficient, competent and innovative administration—we have been hearing this for years. And it is a well-known fact that currently there is negative selection of cadres; the best ones are leaving and young ladies right out of high school are being hired.

[Kolodziejski] That is true but among the functions of voivodships is the reorganization of offices and adapting them to the needs of the particular voivodships. There is no role model here. Within the framework of the available funds and also their announced increases, the best should be rewarded well and salaries adjusted accordingly.

[RZECZPOSPOLITA] The basic tasks of the administration today are...

[Kolodziejski] I will present them in three points. First of all, maximum activity in changing to a market economy while resorting even to administrative means, e.g., when breaking up monopolies. The administration must form a new economic quality by employing taxes, entering into joint ventures, selling and leasing land, etc. Secondly, we should prepare ourselves for the creation of a new model of the administration in the conceptual and legislative sphere adapted to the future system of territorial self-government. And finally third, regardless of how the mentioned changes will proceed, it is necessary to urgently improve functioning in the economic sphere and in the area of services rendered to the public.

Friction Between Lithuanians, Poles in Vilnius Region Noted

90EP0058A Warsaw GAZETA WYBORCZA in Polish
27 Sep 89 p 3

[Article by Jacek Borkowicz: "Dispute Over Polish Autonomy"]

[Text] "We are heading for a new Karabach" [autonomous oblast in Azerbaijan striving to join Armenia], more and more people are saying on both sides of the Polish-Lithuanian border. In the Vilnius Region no blood has been shed up until now, and no shots are being fired, but the emotional tensions are running high.

There are about 300,000 Poles in Lithuania today. They are concentrated largely within a radius of from 30 to 70 kilometers from Vilnius. There is still a Polish enclave around Zarasai (Jeziorosy) in the northeastern corner of the republic, and small concentrations of heirs of the provincial nobility not far from Kaunas (Kowno). Poles constitute an absolute majority of the population of the Salcininkai (Soleczniki) Region, south of Vilnius, and of the Vilnius Region, excluding the city proper. Official statistics show they also represent 20 percent of the population of the city of Vilnius itself.

In Lithuania, Poles are one of the most underprivileged national groups. They are usually employed as unskilled laborers. In 1945-46 nearly all the Polish intelligentsia there that had escaped extermination fled to Poland. During the 1950's, Polish elementary and secondary schools were reintroduced in the Vilnius Region, but their graduates had almost no access to higher education. The price of education was denationalization in a school using a foreign language.

Historically generated resentment created a barrier of mistrust between the Lithuanians and Poles in Lithuania. This experience holds true particularly in the Vilnius Region, which the Lithuanians see as a bridgehead of their small country's Sovietization.

The first conflicts arose out of the law inspired by Sajudis establishing Lithuanian as the official language. Along with the Russians belonging to the Yedinstvo ("Unity") movement, which opposes Sajudis, the Poles charged that the law invalidated the legal status of other languages and failed to insure equal rights to minorities. At a mass demonstration on 14 July, tens of thousands of Russians and Poles protested the law already passed. The rally was held 2 days before the first official commemoration of the Lithuanian independence day which has been observed since the war. At nearly the same time the "apilinki," or gminas [townships], of the Salcininkai Region declared themselves to be autonomous Polish national gminas. Most gminas in the Vilnius Region followed soon thereafter.

The Lithuanian Poles claim this decision to have been essential, because following in the wake of the language law, which compels state officials to know Lithuanian, there have been a host of ministry circulars calling for the official language to be used by all employees in the state sector, down to and including work brigade leaders and warehouse keepers.

In February, during a visit to Kiev, Mikhail Gorbachev referred to the need to form new autonomous districts in the USSR. Two months later the founding congress of the Union of Poles in Lithuania was already reviewing a draft on creation of a Polish National Autonomous District in the Vilnius Region. In May, when the Lithuanian Supreme Soviet issued a decree on "Lithuania's state sovereignty," representatives of the three towns and 30 gminas in the Vilnius Region held a small parliament at Mickunai (Mickuny) near Vilnius to announce their autonomy.

The Lithuanians' protest against the actions of the Poles brought together members of Sajudis, the Supreme Soviet, and Lithuanian communists. They were all in agreement in their assessment that the autonomous movement was an attempt to undermine Lithuania's unity at the moment it was gaining its independence from central power in Moscow. They thought the Poles were trying to cut off the Vilnius Region. They failed to notice gestures such as the appeal to Lithuanians

approved at the congress of the Poles' union or the fact that some of its activists had separated themselves from the Yedinstvo movement.

On 7 September, the Salcininkai regional council declared its autonomy. A week later, the council members of the Vilnius Region did the same at Nemencina (Niemenczyn). The mass media in Moscow greatly amplified these two resolutions. The Lithuanian Supreme Soviet ruled that the decisions of the council members were invalid and in conflict with the republic's constitution.

Representatives of the Union of Poles are again saying that autonomy is essential, given the absence of any response to Polish demands. They point out that from the start they have been calling for reforms in the school system and Polish self-government and for economic and social equity to eradicate the imbalance between the underdeveloped Vilnius Region and the rest of Lithuania. On the other hand, the unfavorable circumstances under which the national regions were declared are worth noting. The announcements came at a time when emotions were still running high over the CPSU Central Committee's tendentious statement on the situation in the Baltic countries. Provocative pictures supporting them appeared in front of the Salcininkai regional council during the voting. There is a great deal of evidence to show that the conflict was cleverly exploited by a third party.

Will the progression of events force Poles to declare a Polish national district in Lithuania? Unlike the variant of an autonomous region, such a solution is a familiar one in the Soviet Union. In the event that the Poles were to adopt this solution in the Vilnius Region, Lithuanians would find themselves in a rather difficult situation: Moscow is criticizing them for their separatism and for the creation of faits accomplis. All this takes the edge off any arguments that the resolutions of the Polish district councils are contrary to law.

ROMANIA

Candor About Iron Guard Period Commended

90EB0082A Bucharest ROMANIA LITERARA
in Romanian 5 Oct 89 p 9

[Article by G. Radulescu: "Memories Evoked by a History Book"]

[Text] In the last few days of 1988 I kept going back and rereading a book of political history. I read the chapters that interested me, skipped to others, then came back to earlier ones and fell into an agitated reverie. The book in question, "The Romanians After the Great Unification," by Mircea Musat and Ion Ardeleanu, vol. II, second part, deals with the period between November 1933 and September 1940. It is an imposing book, not only in size (1,583 pages), but also insubstance. What impressed me in many of its paragraphs was the courage

to restore the truth about a time that has become history. This statement may seem strange. However, my generation knows of quite a few cases in which history, manipulated out of petty interests, did not serve truth, quite the reverse. Was my generation the only one to have to deal with a lopsided reality? That is why I have to admit that I approach history books with justified mistrust. It would seem that the most difficult to predict is not the future, but the past. Each scholar seems to present it differently, not only its details, but often its substance, too. Consequently, what we have is not an intersection of viewpoints, but radically opposed views, in which truth is frequently mutilated by interpretation or whitewashing. That is why, I repeat, I was so glad to read Mircea Musat and Ion Ardeleanu's book and to discover their respect for truth. I take the liberty of advancing this attestation (or is it a value judgment?) because I find myself in the uncomfortable situation of being able to verify, through personal experience, some of the truths contained in this book, having been more than a witness of that period.

In point of fact, while reading the two authors' book I had the almost eerie feeling of being inside, rather than outside history. The book deals with an extremely troubled period that covers my youth, too, which has thus become an engulfing fragment of lived history. I was familiar with that period in general; I recognized and relived many of the incidents described in the book, and some of the personalities mentioned in important roles were among my comrades in ideals (Lucretiu Patrascanu, Stefan Foris). Others were my teachers (Virgil Madgearu, I. Raducanu, N. Iorga, D.R. Ioanitu, and Victor Slavescu), still others I admired for their democratic attitude and sometimes asked for their collaboration (Ion Mihalache, Gr. Iunian, N. Titulescu, T. Teodorescu-Braniste, Mihai Ralea, Petre Pandrea, Constantin Visoianu), while many (student representatives of the Iron Guard) were often my irreconcilable enemies. I confess that I lingered over the paragraphs and chapters that reconstructed the anti-Fascist struggle. How dramatic were those times when, in June 1933, the National Anti-Fascist Committee was established in Romania, one of the leaders of which was the man who today is triumphantly leading socialist Romania's destiny, Comrade Nicolae Ceausescu! Fascism was gaining ground in Italy and Germany and was becoming increasingly aggressive in our country. Fighting against that curse had become a moral duty. Unafraid, in our revolutionary youth, we enrolled in the struggle. It would be too much to say that I think of those years with nostalgia. But I undoubtedly feel manly, troubling memories coming back to me. And I am grateful to the two authors for restoring the truth about those embattled years.

Because—why should I hide it?—in past years I happened to read amateurish articles and studies that, strangely enough, tried to detract from the importance of Romanian fascism, presenting it as made up of "alloys" devoid of penetrating force and potential, of doctrine and ideology, even of leaders and publications. I read

those fake articles with astonishment and tense frustration. I asked myself disconcerted: Were the years of our anti-Fascist youth merely a hallucination, did the Romanian anti-Fascists struggle against ghosts without shape and substance? I tossed those articles away with sincere indignation and continued to patiently wait for historians capable of reconstructing that period objectively. And indeed, my expectations did not go unanswered. Mircea Musat and Ion Ardeleanu's thick, substantial book correctly presents the political situation and the mood of those years, which for me were decisive. The paragraph "The Entire Party for the Country" (the Iron Guard) of chapter II, those dealing with the April 1936 legionary congress of Tg. Mures, with the ascent of the legionary movement in 1937, and others in chapter III faithfully outline the reality of those times. I would even add that I learned new inside facts and details that verified what everyone knew at the time, namely that the legionary movement was financed and used by the Tatarescu government and the royal clique as a diversive force against the democratic movement and radical parties.

For the young revolutionaries of that time the encounter with the legionary movement was not a routine event, but for a few good years it was the purpose of their activities. In 1932, as a student at the Commercial Academy and a new member of the revolutionary communist movement, I responded to all militant calls. At the library I was industriously reading up on everything concerning economics (classical, Marxist, and contemporary economics), I read literature, I wrote articles for democratic magazines, participated in illegal meetings, and fought for my convictions. Suddenly, Fascism, represented by the legionary movement, became the prime target of our militant concerns. Not only because we were confronting Iron Guardists in universities, but because the painful reality was that that virus was decimating the student body and winning supporters. We wanted to give it our riposte. In May-June 1935 we began preparations that led to the establishment of the Democratic Student Front, an organization of communist, peasant-oriented, radical-peasant, and independent students. Affiliated organizations soon emerged at other university centers, and democratic papers were writing about the purpose and meaning of our front. It was a legal organization that used to meet either at the headquarters of the National Peasant Party in Batiste St., or of the Radical Peasant Party in Victoria Ave, and that called students to struggle in defense of professional interests, while exposing the dangers of fascism.

As I said, the book that conjured in my memory those far away events talks about the legionary student congress of April 1936 in Tg. Mures. Iron Guard students were making intense preparations and we all knew that the Ministry of the Interior was helping them and was financing that sinister so-called congress. At the beginning of April, the Democratic Student Front printed a leaflet urging the democratic student body not to attend the congress. One night we pasted the poster on the walls

of some houses in the center of Bucharest. I was arrested by the police. Tudor Teodorescu-Braniste wrote an article about that incident for ADEVARUL of 6 April 1936. I recently reread that article in an anthology of T. Teodorescu-Braniste's writings.

The legionary student congress did take place. It was attended, as the books specifies, only by Iron Guardist students (3,000 of them). The others, democratic students, minded their business. In a way, the insistence of the Democratic Student Front did yield results. At the congress, punctuated by hooligan manifestations, lists of names were drawn up of Iron Guard enemies, who were sentenced to death. Among those "sentenced" were Professors Virgil Madgearu and N. Iorga. Romanian democrats protested those attitudes. The government, however, did nothing and tolerated them. And, as is known, in November 1940 those sinister death sentences were carried out and our professors were cowardly murdered. Impunity always has tragic consequences.

However, thinking of this damnable impunity and reading the truthful book of the two historians, I remembered another episode. At the beginning of 1937, the Iron Guard was permitted to organize large, noisy demonstrations on the occasion of the return to Romania of the remains of Mota and Marin, legionary commanders who had fallen in the Spanish war fighting at the side of General Franco's troops. The Democratic Student Front revealed the danger of those demonstrations. A group of legionaries accosted me and forced me to go with them to their headquarters at the Iron Guard medical students' dormitory on Cheiul Dimbovitei (close to the Municipal Theater in Schitu Magureanu St). I was beaten with wet ropes. After I came out of hospital, Gr. Iunian (who had spoken about the incident in the Assembly of Deputies) advised me to appeal to Ion Mihalache, who at the time was chairman of the National Peasant Party. He received me, listened to me with understanding and sympathy and, toward the end of our meeting, shrugged his shoulders helplessly and quoted a saying from Anton Pann: "If you can't do anything, why seek trouble." Ion Mihalache knew only too well that the Tatarescu government and [King] Carol's clique were protecting the Iron Guard, using them as a diversion against democracy (including the National Peasant Party) and, although he was the chairman of the most powerful opposition party, there was nothing he could do against that scourge that we, democratic students, were confronting everywhere, in classes, seminaries, dormitories, that is, everywhere where there was student life.

Reading and musing about Mirce Musat and Ion Ardeleanu's book I frequently reflected on the fate of my generation, many of whom were infested by that pernicious virus and thickened the ranks of fascist political movements equally opposed to the country's major social problems and to paramount national interests. In the wake of the breakthrough marked by this book, it may be useful to initiate new research, studies, and books to deal with the reality of the period between the two world wars from an ideological viewpoint, too. That

way no doubt, books by personalities or individuals once (in their youth) wandering in that nefarious movement and busily writing according to its ideological commandments, reedited today, can be more correctly understood. Because, in the final analysis, the profound purpose of history is precisely to reveal the truth about a certain period or public figure.

I did not intend to write either a critique or a commentary about the book. Reading—with gratitude and thoughtful sadness—about that tragic period, I merely noted, perhaps too summarily, a few thoughts and recollections, isolated and incomplete perhaps, but certainly troubling to my emotional memory. I want to thank the two historians for writing their book with awareness of the truth, and to wish them good progress in continuing their creative efforts.

YUGOSLAVIA

Law on Development Credit Amended

90EB0007A Belgrade SLUZBENI LIST
in Serbo-Croatian No 46, 29 Jul 89 pp 1201-1202

[Promulgation of Law No 736 Amending and Supplementing the Law on the Resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces From 1986 to 1990]

[Text] Law No 736

On the basis of Article 315, Subparagraph (3), of the Constitution of the Socialist Federated Republic of Yugoslavia, the Office of President of the Socialist Federated Republic of Yugoslavia hereby issues the following

Decree

On Promulgation of a Law Amending and Supplementing the Law on the Resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces from 1986 to 1990

The law amending and supplementing the law on the resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces from 1986 to 1990, enacted by the Assembly of the SFRY at the session of the Council of the Republics and Provinces on 28 July 1989, is hereby promulgated.

P. No. 975 Belgrade, 28 July 1989
President of the Office of President of the SFRY
[signed] Dr Janes Drnovsek
President of the Assembly of the SFRY
[signed] Dr Slobodan Gligorijevic

Law Amending and Supplementing the Law on the Resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces from 1986 to 1990

Article 1

In the law on the resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces from 1986 to 1990 (SLUZBENI LIST SFRJ, No 75/85 and 31/87), the 3rd paragraph of Article 5 is to be replaced by three new paragraphs reading as follows.

"A republic or autonomous province has the obligation of paying the difference between the final annual amount of funds and the amount of funds paid on the basis of coordinated advance payment within a period of 30 days from the date of publication of the resolution on the final annual amount of the funds, and of paying the difference between the coordinated advance payment of funds and the amount paid in advance within a period of 60 days from the date of publication of the resolution on coordinated advance payment of the funds.

"The republic or autonomous province will pay the differences referred to in the 1st paragraph of this article as follows: mandatory loan funds to the account of the Federation Fund, and funds intended for pooling into a separate Federation Fund account with the Public Accounting Service, pursuant to Article 1, 2nd paragraph, subparagraphs (1) and (2) of this law.

"If a republic or autonomous province meets its obligation to the Federal Fund with budgetary funds, such funds will be allocated and paid pursuant to the second paragraph of this article."

Article 2

In the 7th paragraph of Article 8, the words "or special Federation Fund account" are to be added after the words "Federation Fund."

New 11th and 12th paragraphs reading as follows are to be added after the 10th paragraph.

"An associated labor organization in the territory of a republic or autonomous province which concludes a self-management agreement on pooling of labor and funds on the basis of Federation Fund resources for execution of the development program in the territory of the economically underdeveloped provinces or the Socialist Autonomous Province of Kosovo may utilize the resources of the Federation Fund allocated by other associated labor organizations in the territory of such republic or autonomous province pursuant to Article 1, 1st paragraph, subparagraph (1), of this law which have no interest in pooling funds for execution of the development program with other associated labor organizations in the economically underdeveloped republics or the Socialist Autonomous Province of Kosovo.

"The terms on which the funds specified in the preceding paragraph are to be used may be no more unfavorable than those prescribed by Article 15 of this law."

The previous 11th paragraph, which now becomes the 13th paragraph, is to be amended to read as follows.

"If an associated labor organization fails to conclude a self-management agreement on pooling of labor and funds as provided in Article 1, 1st paragraph, subparagraph (1), of this law within a period of 6 months from the date of maturity of an obligation to make payment to a special Federation Fund account, the funds to be paid will be considered a mandatory loan."

The previous 12th, 13th, and 14th paragraphs now become the 14th, 15th, and 16th paragraphs.

Article 3

The 2nd paragraph of Article 10 is to be amended to read as follows.

"By way of exception to the provision of the 1st paragraph of this article, Federation Fund resources which are formed pursuant to Article 1, 1st paragraph, subparagraph (2), of this law may be allocated for construction of production and service facilities in the private sector, and funds for purchase of equipment for instructional and scientific research work in accordance with the priorities established in the Strategy for Technological Development of the socialist Federated Republic of Yugoslavia."

New 3rd and 4th paragraphs reading as follows are to be added after the 2nd paragraph.

"By way of exception to the provisions of the 1st and 2nd paragraphs of this article, Federation Fund resources formed pursuant to Article 1, 2nd paragraph, subparagraph (2), of this law and disbursed to the Socialist Autonomous Province of Kosovo may be utilized, in accordance with the Yugoslav program of measures and actions to check the emigration of Serbs and Montenegrans from Kosovo, for more rapid return of persons who have left, and for immigration of all who wish to live and work in Kosovo, for the following purposes.

"(1) as individual incentive income for specialist personnel absolutely necessary for the economy of the Socialist Autonomous Province of Kosovo;

"(2) construction of housing for specialist personnel absolutely necessary for the economy of the Socialist Autonomous Province of Kosovo, preeminently for specialists in the economy who have emigrated from the Socialist Autonomous Province of Kosovo.

"The funds specified in the 3rd paragraph of this article will be allocated on the basis of special programs which are to be instituted by the Economic Chamber of Yugoslavia or the Federal Executive Council."

Article 4

An article 19a reading as follows is to be added after Article 19:

“Article 19a

“Of the Federation Fund resources formed pursuant to Article 1, 1st paragraph, subparagraph (2), of this law, 10 percent of the portion disbursed to the Socialist Autonomous Province of Kosovo may be allocated for realization of the aims specified in Article 10, 3rd paragraph, of this law.”

Article 5

The Legislative-Legal Commission of the Council of the Republics and Provinces is authorized to prepare a definitive version of the Law on the Resources of the Federation Fund for Financing More Rapid Development of the Economically Underdeveloped Republics and Autonomous Provinces From 1986 to 1990.

Article 6

This law will enter into effect on the day following the date of its publication in the SLUZHBI LIST SFRJ.

HUNGARY

Military Reform Measures Discussed

25000490 Budapest NEPSZAVA in Hungarian
29 Sep 89 p 7

[Interview with Ministry of Defense public affairs division chief Colonel Gyorgy Keleti and army reform circle member Lieutenant Colonel Imre Bartos by Gyula Mezovari: "The Dual Dimension of Army Reform Measures"; date and place not given]

[Text] One could hardly expect the Hungarian People's Army to spearhead reforms. The historical experience of past decades would quickly discourage anyone from doing so. This is so because whenever an army spearheaded reform in some part of the world, the process usually ended in a military coup, in the seizing of power. At the same time the establishment of a truly national army that befits a constitutional state must not lack deep-seated changes and demands that members and commanders of armed bodies be sensitive to reform. We talked about the renewed face of the army with Defense Ministry public affairs division chief colonel Gyorgy Keleti, and with lieutenant colonel Imre Bartos, a member of the army reform circle, while keeping in mind this dual dimension.

[NEPSZAVA] For decades now, the internal life of the army has been literally an open secret. Evaluations provided by higher command levels consistently differed from stories told by soldiers returning home. Based on the latter stories there is no doubt that society was increasingly less kind toward the armed forces.

[Keleti] This dual publicity did indeed exist. One must also recognize that human conditions leave much to be desired in the framework of military life, just as the conduct and outlook of many professional soldiers and enlisted noncommissioned officers does. We must change all this if we want people entering the military, the populace, and society as a whole to accept this armed force as its own, as a national army. To demonstrate just how serious this intention is within the people's army, and that it is not merely a desire that is talked about, I would like to remind you that quite a few months ago the minister of defense ordered an investigation at the motorized rifle battalion of Nagyatad, based on a report submitted by an enlisted man. The fact that at that battalion the dependence of soldiers was abused by humiliating them beyond their training period, moreover that even physical abuse took place was proven. All this took place under the pretext of psychological testing. The minister of defense stringently called the battalion commander to account and relieved him from his duties. Namely, the legal order and discipline that may be demanded within the army must not provide an opportunity for anyone to offend soldiers in their capacity as human beings, to devastate their egos.

[Bartos] In my view the causes of the reserve manifested by society may be found also elsewhere. Namely, in its

name the people's army indeed existed as the army of the party state. At the same time progress in the direction of a constitutional state demands that the people's army change into a national army. It also demands that it be free of parties and ideologies, and that it reflects national traditions both in its [substantive] profile and outward appearance. Openness and societal control of a far greater degree than before play an important role in this process, because these matters have an unusual molding effect which act as restraints to anomalies.

[Keleti] In my view it was not the party character of the army that restrained young people's desire to join the army. There were far more practical reasons for that. The earlier, 24-month period of service was accompanied by serious disadvantages both in the family and at the workplace, not to mention the loss of income. Quite understandably, these problems are being alleviated by the recent significant reduction in service period. Hopefully it will be reduced even further.

[NEPSZAVA] How could the national character of the army be developed?

[Bartos] We must rely and build on traditions. This is to be accomplished not only in terms of formalities, in the appearance of the uniform, even though that aspect must not be neglected either. It would be desirable to change the name of the Hungarian People's Army. The defensive character of our military doctrine would be better expressed by the term "Hungarian Honvedseg [National Defense Force]."

We should also revive the traditions related to the Sacred Crown—the radiating power and effect of this historic and national symbol, which holds Hungarians together. These changes would not involve additional expenses. Uniforms which reflect historical traditions also in their details could be introduced gradually, at a pace consistent with the useful life of previous uniforms.

[Keleti] I believe that in recent years the army has taken significant steps in this regard. We reintroduced for example the Bocskay cap on the basis of responses received from, and choices made by enlisted men. The army also revived the "Szozat" as a second national anthem a few years ago. I agree with the idea of making the Sacred Crown a part of state symbols. At the same time the name "Honvedseg" is already being used, after all, our ministry, our artist ensemble and our sports associations use that name, and every newly enlisted man is called "Honved" at first.

[NEPSZAVA] Most likely a national army would demand long term physical fitness and broadly cultured professional and noncommissioned officers. Even from those serving with the troops. In think there is still a lot to be done in this regard, wouldn't you agree?

[Keleti] As we learned from the British defense secretary during his recent visit to Hungary, in England professional soldiers undergo a periodic medical checkup. They will be told to leave the army if their strength and

body weight is not at par. In Hungary such stringent demands and controls do not generally exist. Nevertheless the ministry intends to take firm steps to ensure that professional soldiers pursue a healthful lifestyle, and in order to provide the necessary conditions for such lifestyle. And insofar as broadly based culture is concerned, most of our noncommissioned officers are high school graduates, while our officers hold academic or university degrees. We must acknowledge, however, that as a result of prestige considerations related to the military officer's career, not the best of high school graduates take the entrance exam.

[Bartos] Counterselection prevails in the army just as in other fields of life. Resolving this problem will also help the changeover into a national army.

[NEPSZAVA] Supposedly though, this process goes hand in hand with depoliticizing the army, i.e. with the fact that no political parties may function within armed bodies.

[Keleti] At present about 80 percent of the officers, and between 30 and 40 percent of noncommissioned officers are members of the Hungarian Socialist Workers Party [MSZMP]. Altogether this amounts to almost 60 percent of professional soldiers. They performed their duties independent from their party membership with a sense of commitment, consistent with MSZMP ideology. There are about 200 independent party workers in the army.

[NEPSZAVA] What will be done with political officers, what tasks will they have?

[Keleti] Their function of implementing party policies will cease. They will assist in the upbringing of soldiers as citizens and as defenders of Hungary, as well as in resolving their troubles, complaints and requests, just as they did before. Although no final decision has been reached in this regard, once our political main division is transformed into a social service organization it will also provide services in the area of protecting interests.

CZECHOSLOVAKIA

Importance of Advertising Abroad Discussed

24000195b Prague SVET HOSPODARSTVI in Czech
1 Aug 89 p 1

[Article by Zdenek Cervený, Federal Ministry of Foreign Trade: "The Importance of Advertising Abroad"]

[Text] Advertising has a very close relationship to the question of restructuring the economic mechanism. The thrust of advertising work is mainly in the field of circulation; in relation to the circulation of goods, the greatest change in connection with the restructuring is taking place at the industrial enterprises. The industrial enterprise up until now has paid only minimal attention to the question of circulation. It produced the quantity of goods established by the plan, it did not have any great problems with the market's reaction to the products, and they were concerned with only a small portion of the overall production inventory. After full implementation of the intentions of the restructuring, however, things will be different. The enterprise will not be evaluated for fulfilling the amount of production established by the plan. A system is to be introduced which puts the question to the enterprise: "How much and for how much of your production did you sell?" The enterprise will be drawn into market problems and will be forced to resolve relations which show up in the market and which will become the yardstick of the effectiveness and social utility of its work. Even when the plan will remain the determining factor for management of the national economy in the field of the strategic intentions of the structural development, taking care of the interests of society as a whole, and resolving the basic social and economic problems, the market will gain in importance as a factor which supplements and corrects the functioning of the plan in a decisive manner.

In this situation the behavior of the enterprise in the market becomes a very important part of its overall work. It will achieve its income through the market and by means of the market it will create the resources to pay for all its expenses, including taxes, material and technical support, and wages. Market behavior is a concept which has its own rules. One of the unforgettable rules is the role of advertising in the enterprise's work. Far more than before, advertising is an inseparable part of the enterprise management work. It is necessary in this to have in mind advertising which is not set up among the peripheral and associated activities, but advertising which occupies one of the key spots in the spectrum of work in running each enterprise. The old exhortation takes on a new reality: "The level and quality of advertising work is a mirror of the personal quality of the enterprise director."

In this commentary on the new conditions for advertising work I deliberately lean on explanations of work in the domestic market, even though the main goal is considering advertising connected with economic contacts with foreign countries. The conditions for work and

the problems which come up in entering into the foreign market will be very similar to the domestic tasks. This is certainly correct because one of the goals of restructuring is to break down the barrier created between the domestic manufacturer and the foreign market; for three decades the need for "economic union" has been emphasized.

The first problem which we are equally as little conscious of as the growing importance of the market domestically is the basic organizational change in the management of foreign trade in three-quarters of our socialist export and import market. It is not just a matter of three-quarters of the socialist market, but of one-half of the entire Czechoslovak foreign trade. Organizational change is necessary because it depends, just as for us in the domestic market, on the growing importance of the market in the USSR, Hungary, Poland, and Bulgaria.

As seen by the eyes of an advertising employee, there are basic changes taking place in this area for target groups. New potential customers are appearing who are at the same time the new targets of advertising. This is a matter of new future customers, the majority of whom are not informed of the opportunities for acquiring Czechoslovak goods or how their needs can be met by deliveries from the CSSR.

This is taking place at a time when Czechoslovak export advertising is weakened, especially in the most important customer territory, the USSR. According to preliminary data, the costs registered do not exceed 3 kopeks per 100 rubles spent. Lately they have been reduced because they are subordinated to the actual development of Czechoslovak exports to the USSR and the development of the trade balance. It was not taken into consideration that advertising always works at two levels: as an immediate resource, practically a commercial offer, and as a tool of information for the future creating a specific idea of the composition of the commodities offered by a given country. The fact that there was little need for the practical commercial offer became an argument for suppressing all of the advertising and led to neglect of the important informational activity which would certainly have had a quick payback of the resources spent on it. These factors also operate to varying degrees for advertising in the other socialist countries.

The reason for the situation described above is obviously primarily the commonly prevailing demand over supply. The more frequent phenomenon in a newly formed market is a buyer who is looking for goods, rather than a seller who is looking for customers. This is true both of the domestic relationships and on the international scale as well. The buyers thus help themselves by their own initiative to create the necessary storehouse of information on goods and advertising as an actual tool of commercial offers becomes objectively superfluous. In international contacts the buyers tend toward high-quality, modern commodities at the higher value end or products convertible for the markets of a number of socialist and nonsocialist countries.

At the same time, however, there are other products in the export program which apparently are not fit for the market. Lately, after the change in the composition of the items offered and the adjustment of the system of planning and financing purchases, voices have been raised about the unsalable nature of these goods. Their lack of sales appeal shows up at a time when nobody has even tried to set up a concentrated advertising campaign to improve their marketing, perhaps for an initial introduction into some areas where they are so far unknown.

The combined pressure of objectively existing reasons against an advertising campaign in the domestic environment and in entering into the market of the socialist countries as well is reinforced by an attitude toward the effectiveness of advertising which has existed for many years. The managers of the Czechoslovak economy were systematically confronted with a concept of advertising as an unproductive activity which wasted society's wealth. The ideas of economizing and effectiveness were always connected with reducing expenses for advertising. Advertising is a cost item whose reduction is not immediately felt in shortages of materials for production, cleanliness in the work areas, damages to stored goods, shortages in transportation capacity, etc. The loss occurring from insufficient advertising is unobservable and insidious. We have not learned to see advertising as a returning input into the commercial operation. Resources rationally expended on advertising are returned in the sales price. This statement is emphatically rejected by the majority of the commercial employees of trade and industrial enterprises. Why do capitalists, who do everything with the goal of achieving the maximum profit (and perhaps there is no one who does not support this thesis), invest so much in advertising? If they did not earn something through this operation, they would not do it.

One of the serious counterarguments has been that advertising has its rightful place in the market, but outside the market it just makes society the poorer since everything is already determined beforehand by the plan. This argument is no longer valid. Industrial and trade enterprises, in material production and in services, domestically and abroad will show their contributions for the national economy mainly by successfully entering into the market. And this will require effective, well-organized advertising which will increase their economic results even more and will represent the quality of the enterprise management.

Responsibility for performing high-quality advertising abroad is falling more and more to the industrial enterprise. This is good. This gets rid of one of the manifestations of splitting production off from the foreign market. Success in overcoming the antiadvertising habits of the old way of thinking is to a large degree in the hands of the industrial suppliers of export goods. An enterprise which has decided on direct exports will take over this

responsibility fully. Where the industrial enterprise utilizes the services of a trade partner and exporter, it will then have a decisive share in creating the conditions for advertising work.

These conditions will occur in negotiating the amount of markup. If the markup is not set sufficiently high, advertising will be limited. Another source of paying for advertising expenses is foreign currency resources. The standard for foreign currency rates is established in Czechoslovak foreign trade by the last limits of foreign currency costs, thus at a very low level which practically makes it impossible to use those advertising resources which are less expensive, but are very costly in foreign currency, such as, for example, advertisements in periodicals. It is up to the industrial enterprise to supplement the foreign currency budget of the export organization from its own foreign currency receipts as determined by the standard and thus to ensure adequate advertising support. It is necessary to remember always that goods which are not advertising to a sufficient extent will become a nameless market material which is sold at a price up to 30 percent lower than goods of the same quality which can lean on a well-advertised trademark. Cases have been analyzed in the glassware industry where the foreign competition got a substantially higher price than did the Czechoslovak goods, even though they offered products of a lower quality. The only reason is that they carry out an advertising campaign many times more intensively whose costs are paid for by the great profit from the higher price. We could give even more similar examples from the exports of Czechoslovak light industry.

With this, however, the subject will change to the field of the nonsocialist countries. Here, too, there has appeared one very important and thoroughly discussed condition for commercial work and advertising. It is the program of creating a unified domestic market for the countries of the European Common Market. The unified market will lead to intensive innovations, rapidly growing competition, and increased effectiveness of production through larger production runs. There will be higher requirements for quality. Everyone recognizes this. In all the ECM countries there are currently discussions taking place in the trade press, seminars, conferences, and other actions directed at evaluating the upcoming situation. Most people are coming to the conclusion that it will be necessary to activate efforts for the manufacturers in every country in each field to reach a level of products comparable with the best if they want to survive. The product is also coming to the forefront in Czechoslovak industry as the key to resolving the unfavorable conditions of marketing under which people will start to buy when the unified domestic market is introduced.

The first task is to have a product which is fully capable of competing. But sooner or later everyone will have that. The one who will sell, however, will be the one that is capable of supporting a good product with good advertising. And there is much talk about this as well in

Europe today. We must also start to consider in Czechoslovakia how to advertise our good products in Europe. This will not be simple advertising. A unified market creates the conditions for the utilization of R&D in European wholesaling. It does not get rid of the European national specifics. It will be a unified market in which advertising must take into consideration the various national mentalities and languages. Advertising will work over a broad market, but under specific conditions. The European countries, both members of the ECM and nonmembers, are preparing for this. At this time, the next task for us to survive in the European competition is a further reminder that we must see to the development of advertising.

Some aspects of advertising work in relationship to the restructuring and current events in the foreign market show that we have a weak point in advertising in the form of the new tasks which life is bringing us. Advertising cannot get rid of the inadequacies in the quality of a product, but it can reduce them. Inadequate advertising, however, can push even a good product to the rear of the market. Neglecting advertising can spoil many successful efforts by the designers and manufacturers of high-quality goods. We are looking for ways to prevent such damage.

Inefficient Investment Structure Criticized

*24000195d Prague SVET HOSPODARSTVI in Czech
17 Aug 89 p 2*

[Article by "Ist": "Unsatisfactory Development in the Structure of Capital Construction—An Analysis by the FMZO (Federal Ministry of Foreign Trade)]

[Text] The proposals for capital investment which are currently being submitted to the agencies of state expertise (SPK [State Planning Commission], FMZO [Federal Ministry of Foreign Trade], FMF [Federal Ministry of Finance], SBCS [State Bank of Czechoslovakia], and SK VTRI [State Commission for R&D Capital Investment]) for evaluation determine the future structure of the Czechoslovak economy and thus also the external economic relations of Czechoslovakia. The effect of today's suggestions for capital construction which create the structure affect mainly the Ninth and Tenth 5-Year Plans (depending on the target years of construction) and in certain cases even the Eleventh and Twelfth 5-Year Plans. For these reasons there have been analyses performed in the long-range outlook section of the FMZO of the investment actions which represent an important social contribution for the development of the national economy. An overview is thus gained of the future nature of the Czechoslovak external economic relations which arises directly from the implementation of investment proposals in the individual branches of the economy.

In the analyses data from the design documentation of construction projects which as a group characterize

investment actions are processed along with the connections between their inputs and outputs to external economic relationships. The aggregate results of the evaluations of the first 3 years of the Eighth 5-Year Plan which one can consider as sufficiently representative have shown unsatisfactory developmental trends which are showing up in the orientation of investment construction despite numerous proclamations and actions approved. For that period there were 437 investment actions with a total investment cost of Kcs 373.2 billion evaluated by the state experts while the investment of a production nature proposed was 71 percent of the overall costs.

From the standpoint of the share of the investment costs of the individual branches in the overall costs of the investments evaluated, the results showed a long-term and unchanging trend toward priority development of the fuel and energy industry at the expense of the development and modernization of the other branches (of the expenses proposed for investment in the entire national economy in the first 3 years of the Eighth 5-Year Plan, 44.3 percent is requested just for the construction of nuclear power plants). The costs for investment in the metallurgical branch also have a growing tendency.

In contrast, the rate of development of investment activity in the engineering and electronics complex (8.6 percent of the overall investment costs requested for the first 3 years of the 5-year plan) cannot secure its decisive position in the national economy. The demands of the engineering and electronics industry for investment resources are moreover decreasing further. In all 3 years of the 5-year plan there was a low share of investment requested in light industry, in the agricultural and foodstuffs complex, and in construction.

The Connection Between Outputs From Investment Actions and External Economic Relationships

In the investment actions evaluated there were requests for Kcs 17 billion FOB of direct investment imports from the SC [socialist countries] and Kcs 29.7 billion FOB from the NSC [nonsocialist countries]. The predicted value of the annual noninvestment imports required to support production in the newly proposed capacity after it was put into operation amounted to Kcs 0.7 billion FOB from the SC and Kcs 0.9 billion FOB from the NSC. With these costs, the value of the exports from the actions evaluated was considered to be at the level of Kcs 16.7 billion FOB per year to the SC and Kcs 10.3 billion FOB per year to the NSC.

Of the parameters of the investment actions which have a connection with external economic relations, the study focused mainly on the standpoints of export performance level, import cost level, return level for foreign exchange, and how it fit into the international division of labor, but also examined the relationship to the departmental concept of external economic relationships and foreign economic parameters of investment actions based on the domestic raw material base:

The Standpoint of the Export Performance Level

The overall export performance level of the investment actions evaluated as expressed by the value of the newly acquired annual exports in Kcs FOB from Kcs 1 million of investment costs amounts to Kcs 73,000 FOB in a proportion of Kcs 45,000 FOB to the SC and Kcs 28,000 FOB to the NSC. The highest export performance level from this aspect is found in relationship to both the SC and the NSC in the engineering and electronics complex and in light industry and the lowest is displayed by the fuel and energy industry and metallurgy.

If the export performance level is expressed in the relation between the newly acquired exports and Kcs 1 million FOB of investment imports, then each million of investment imports from the SC makes it possible to increase the annual exports to that region by Kcs 982,000 FOB; a million in investment imports from the fee-currency region, however, returns only Kcs 347,000 FOB in increased annual production capable of being exported.

The Standpoint of Investment Import Level

The share of investment imports in the investment costs for all the investments evaluated on the average for the first 3 years of the Eighth 5-Year Plan amounted to 12.6 percent (imports from the SC were 4.6 percent and from the NSC were 8 percent). In relation to the SC, the branches most expensive in investment imports were the agricultural and foodstuffs, complex, the cellulose and paper industry, and the chemical industry. In relation to the NSC this indicator was highest for the cellulose and paper industry, the chemical industry, and construction.

From the standpoint of absolute values, however, the greatest foreign currency resources requested for investment imports from the SC were in the fuel and energy industry (58 percent of the imports proposed for all investments) and for investment imports from the NSC in the chemical industry (30 percent of the overall proposed imports).

The Standpoint of the Level of Foreign Currency Return

The foreign currency return on investments from the time that capacity is put into full operation was calculated in a simplified way as the period necessary to cover the one-time investment imports with net foreign currency earnings from the new investment actions. (In this case, the net foreign currency earnings is the level of receipts from exports less the value of imports for production consumption.) In these calculations the timeline of the capital construction and the level of interest of any possible credits were not considered because of a lack of supporting data.

In relation to the SC the shortest foreign currency return is shown by the evaluated investment actions of the electronics industry. This fact is influenced by the predominating orientation of this branch toward exports to the SC (74 percent and up) with a concurrent decisive

dependence on imports from the NSC (90 percent and up). Engineering and light industry also have a short period of foreign currency return in relation to the SC.

In relation to the NSC the most favorable period of foreign currency return is shown by investment actions of engineering and light industry. The longest period of foreign currency return is in the branches of the wood working and cellulose and paper industry, the chemical industry, and the fuel and energy industry.

The Standpoint of Fitting in With International Specialization and Production Cooperation

There is a low share of investments in which there is a consideration of fitting in with the specialization and production cooperation within the CEMA framework with a goal of increasing the effectiveness of construction and a substitution for Czechoslovak imports from the NSC. In the 3 years studied there were only 29 investment actions of the 437 evaluated and their share of the overall investment costs was 3.6 percent.

Relationship to the Concept of External Economic Relationships

Some of the foregoing indicators of connections with external economic relationships were calculated for a group of investment suggestions which proposed supporting production in fields typified by the foreign trade department as proexport (in the Export and Import Concept of Development of External Economic Relationships Until the Year 2000 worked up by the FMZO in 1988).

There were 113 investments of this type evaluated in the first 3 years of the Eighth 5-Year Plan with a share of only 10.7 percent of the overall investment costs. From these investments it is considered that there would be an annual export of Kcs 5.2 billion to the SC (30 percent of the expected foreign currency receipts from all the investments evaluated) and Kcs 3.0 billion to the NSC (29 percent of the total expected receipts).

The foreign currency return of these investments in relation to the SC is roughly half as long as the average for all the actions evaluated but in relation to the NSC it is about 1.5 times as long. The export performance of the investment actions supporting proexport production in comparison with the average for all the actions evaluated is 90 percent higher in relation to the SC but 23 percent lower in relation to the NSC.

From the aspects of branches, of the investments proposed for the proexport field 82 percent was directed into nonengineering branches, especially into the chemical industry; only 18 percent was intended for the engineering and electronics complex.

The engineering and electronics industry is supposed to share in the foreign currency receipts from the investments in the export field by 41 percent in relation to the SC and by 7 percent in relation to the NSC. The foreign

currency receipts from the NSC are supposed to support mainly the chemical industry and light industry.

Foreign Economic Parameters of Investment Suggestions for the Utilization of the Domestic Raw Material Base

The nature of the evaluated investment suggestions was also analyzed from the standpoint of the share of the investment actions directed at effective utilization of domestic raw materials and their export performance.

In the first 3 years of the Eighth 5-Year Plan there were 54 investment actions directed at the development of the fields based on the domestic raw materials base whose investment costs amounted to 7.5 percent of the overall costs of the investments evaluated. The export performance of these investments in relation to the NSC was predicted to be 2.6 times as high as the average for the overall national economy. These investments are, however, at the same time 3 times as expensive in terms of imports from that region; the period of foreign currency return is longer than the average for all the actions evaluated. In relation to the SC all the quantities studied are roughly at the level of the average for the overall national economy.

Conclusions From the Analysis Performed

From the analysis of the structure and nature of the investments evaluated for the first 3 years of the Eighth 5-Year Plan and their connections to the external economic relations it is possible to make the following conclusions about the developmental trends in Czechoslovak investment construction:

Investment activity in the CSSR overall is decreasing in comparison with the original predictions, which is the obvious consequence of the effect of the new phenomena in the economic environment and the pressure on the effectiveness of investment construction from state resources. Probably the waiting tactics of the individual production departments and investors is also showing up here.

The structure and nature of the proposed investment construction do not show a positive tendency. Engineering, the electronics industry, and light industrial are not adequately supported by the development of the fuel and energy complex. Investments in engineering and the electronics industry are moreover not sufficiently oriented toward the proexport and effective fields.

In the first 3 years of the Eighth 5-Year Plan only 10 percent of the volume of the investments evaluated was directed toward the branches which demonstrate above average export performance and the shortest foreign currency return periods on resources input in relation to both the SC and the NSC.

Despite the unfavorable distribution of the requested investment expenditures, the engineering branches will have the decisive role in external economic relationships

of the CSSR (after the proposed investments starting up operations in the Ninth and Tenth 5-Year Plans).

The proposed investment development and structure of the electrotechnical and electronics industries are in conflict with the global trends and the dynamics of that branch. In external economic relationships of the CSSR this industry will be oriented mainly at the creation of foreign currency resources from the SC. Besides engineering, foreign currency receipts from the NSC will be brought in particularly by the chemical industry and light industry.

The ratio of the proposed annual export production from the new investments in relation to the SC and the NSC slightly changes the orientation of the Czechoslovak economy in the external economic relationships to territorial groups of countries. As opposed to the current situation, a greater share (38 percent) is proposed for export to the NSC.

From the standpoint of evaluation the relationships of investment imports and foreign currency receipts predicted in the proposed investments it is possible to state that to a greater degree there will occur a transformation of imports from the NSC to exports to the SC.

Agricultural Restructuring, Development Viewed by Slusovice

*24000195c Slusovice NASE CESTA in Czech
9 Aug 89 pp 1-2*

[Article by Eng Frantisek Manasek, deputy director of the RV [Crop Production] Plant]: "Restructuring and Development in Agriculture"]

[Text] The level of agricultural production of an enterprise or farm is shown by the results of its grain cultivation and cattle breeding, particularly the harvests of winter wheat and the amount of milk produced by the cows. Because I am an agronomist, it is appropriate for me to start first of all with the question of grain. Are the results of our grain cultivation a permanent phenomenon? The results of this year's harvest, with some exceptions, have struck a happy note with a number of managers at all levels. For example, the yields of winter barley of around 7 tons per hectare and winter wheat of around 8 tons per hectare are results which meet the strictest standards of measurement even in international comparisons. A number of experts (including "arm-chair" ones) are asking themselves the question: "Is this a result of the long-range development of our grain cultivation or just a matter of this year with its mild winter and favorable spring?" I am convinced that it is a permanent feature even though there will be differences in the individual years.

The average yields of winter wheat per hectare achieved in the CSSR and neighboring countries with the average yields of the 1980's support this statement:

Country	Average 1978-81	1984	1985	1986	1987
CSSR	3.98	5.14	4.98	4.40	5.08
Hungary	4.01	5.43	4.85	4.40	4.40
GDR	4.37	5.23	5.29	5.60	5.52
Poland	2.75	3.52	3.43	3.71	3.72
USSR	1.51	1.34	1.55	1.89	1.86
Hungary	3.78	4.76	4.89	4.36	4.53
FRG	4.98	6.26	6.08	6.31	5.82
JZD AK Slusovice	5.28	6.71	6.21	6.49	6.72

In this comparison our agro-kombinat comes out very well. Czechoslovak grain cultivation also comes out well on the worldwide scale (see table). The fact that today's yield of grain in the FRG represents a growth of 192 percent in comparison with the yield in the second half of the 1950's while today's grain yield in the CSSR in the same comparison represents a growth of 221 percent also speaks in its favor.

The countries with the greatest intensity of grain production are (average for 1983-87 in tons per hectare):

The Netherlands	6.70
Great Britain	5.84
Belgium	5.79
France	5.36
Ireland	5.33
Switzerland	5.10
FRG	5.07
Denmark	4.78
CSSR	4.54
GDR	4.46

Source: VUO [Trade Research Institute] Kromeriz 1989

Is it also possible to achieve the level of Slusovice in other agricultural enterprises? Understandably the climatic conditions under which the enterprise operates play an important role. JZD AK [unified agricultural cooperative agro-kombinat] Slusovice is set up in natural economic position 25 which corresponds to the foothills region of the majority of parcels of land. Despite this it continuously achieves yields of 6 to 7 tons per hectare, which is roughly 2 tons more than the national average. Logically the agricultural enterprises on the Hana, Labe valley, and Lower Moravian dales should have yields between 9 and 10 tons per hectare.

The main factor in achieving high yields is first of all the need to be aware that there is not just one or two main factors which have an effect on the level of harvests. I will not be digressing by much when I cite one example from the experience of our integrational cooperation in raising corn. The experts from one enterprise in the KSL [Slusovice corn system] convinced us that they needed only to decide on the chemicals (imported herbicides) and everything will be well. In a more detailed analysis of

their technology of raising corn it turned out that the application equipment was not in order, the sowing machinery did not ensure precision sowing, and their views about hybrid composition and density of growth were also not correct. And this was an enterprise which was considered to be among the "corn kings" with years of experience in growing corn. High yields are thus the result of a comprehensive approach to the technology of raising crops. JZD AK Slusovice achieved excellent results in growing grain because:

- it thoroughly mastered the entire technological procedure of cultivating grain in the particular agricultural and ecological conditions;
- through its own efforts it created conditions for providing all the missing inputs (pesticides, biological materials, equipment);
- it systematically utilizes the high biological potential of seeds;
- it is equipped with high-performance and high-quality equipment whose operation is supported by excellent service;
- the cultivation technology is managed by qualified experts with experience in the practice.

In terms of influence on other agricultural enterprises, the prerequisites for continual achieving high yields were systematically prepared by our JZD over a number of years. The experience is now being applied in crop systems (KSL, BSL, and OPSL [Slusovice corn, potatoe, and winter wheat systems]) in more than 100 integrated enterprises. The results of Czechoslovak grain cultivation are being influenced by, first of all, the Slusovice corn system (KSL) and since this year by the Slusovice winter wheat system (OPSL).

The current contribution of our KSL system to achieving feed corn yields in the CSR is not negligible when we take into consideration that:

- the share of feed corn in the KSL system in the CSR amounted to 28 percent of the area (1988);
- the yield per hectare of feed corn in the enterprises in the KSL system amounted to 6.44 tons in 1988;

—the average yield of feed corn per hectare in the CSR in 1988 was 4.9 tons per hectare.

The interest of other agricultural enterprises in integrational cooperation in crop production with JZD AK Slusovice exceeds the capabilities of our agro-kombinat, but this indicates considerable reserves in Czechoslovak grain cultivation.

The assertion that there is a lack of money in the agricultural enterprises is supported currently by a number of experts. The introduction of the new economic tools (mainly the higher profit tax and new deductions from wages) has actually made the economic situation worse in a number of enterprises. Despite this fact, I will present two interesting pieces of information from our integrational cooperation: in connection with the introduction of the winter wheat system we maintained together with our partner enterprises that the pesticides lacking would amount to a cost of roughly Kcs 1,000 per hectare, but the decline in crop yield caused by their absence would be Kcs 3,000 to 4,000 per hectare. The other piece of information is in the field of agricultural equipment. The Agrozet organization is upset about the lack of farmers' interest in buying new machinery. A number of agricultural enterprises, however, despite this bought expensive imported items this

year. This is equipment with a high level of technical parameters, good service, and operational reliability. The agricultural enterprises thus mostly have their resources, but...

As far as the prices for foodstuffs here and in the rest of the world are concerned, at the beginning I wrote that I am primarily an agronomist and therefore the setting of prices is not my turf. Despite this, however, my head turned when I recently heard a conversation between two men. One wanted to know how many loaves of bread our Skoda Favorit cost in the FRG. Supposedly they are already being sold there. They settled on a number of three thousand. I do not know what kind of bread they used for their calculations, but I know for certain that if we take the price of Slusovice or common bread for this case the cost of a Favorit in loaves would be substantially more.

It is a similar situation with the majority of the industrial products in relation to foodstuffs. I am not asserting that we have cheap foodstuffs as they are subsidized, but 70 percent of the costs of agricultural enterprises are line items which the farmers cannot influence.

The prices of the main agricultural products in comparison with the prices in the ECM countries are not high, as can be seen from the following survey.

A Comparison of the Prices of the Main Agricultural Products in the CSSR and the ECM

(in \$US converted at the official exchange rates)

Product	Purchase Price in CSSR		Price Paid to Farmers in the ECM	
	1987	1988	FRG	France
Wheat (ton)	131.6	148.5	220.6	184.3
Rye (ton)	142.5	177.5	214.5	178.7
Malt barley (ton)	153.5	174.3	242.2	180.6
Feed barley (ton)	117.0	116.2	200.4	159.6
Corn (ton)	138.9	167.9	237.0	177.2
Sugar beets (ton)	31.4	34.2	53.3	38.9

Source: VUEZVz Praha [Agricultural and Food Economic Research Institute]

From the standpoint of an agronomist, the situation during the period of restructuring is thus a demanding one. Looking back on history it is obvious that the farmers must always deal with whatever situation (and most have known how to do so), even though too often they have cursed it.

Substantial Losses in Agriculture Criticized

24000195a Prague LIDOVA DEMOKRACIE in Czech
14 Sep 89 p 1

[Article by kcr: "Too Great Losses"]

[Text] We say that for every farmer the soil is the most precious and irreplaceable treasure which he must respect, manage properly, and protect. You can hardly find anyone who would have reservations about this

statement, but you also can hardly find an agricultural enterprise which does not today and daily transgress this "commandment." Scarce arable land also is among the most commonly threatened natural resources today despite all the resolutions, proclamations, and laws for its protection.

Arable land is being lost literally right before our eyes. We know why. We know the massive effects of water and wind erosion, the main origin of losses, since it is not a new phenomenon or a sudden or insidious one, but rather a problem which the first farmer in our land had to run into. Some scientists are of the opinion that erosion led through its consequences to the destruction of the Greater Moravian Empire. In those times long ago the farmer acquired new land by clearing forests. The land laid bare on the slopes was exposed to the

action of water, the drained arable land filled the water courses of the meadowlands, and the originally inaccessible clearings were easily reached by the conquerors.

For long centuries of agricultural activities, however, the peasant built up a well thought-out system of protection against the pernicious effect of erosion. He learned to manage things in the countryside in an "ecological" way and moreover formed a close relationship of feeling which even the church supported and confirmed. Statues and paintings with religious motives, small chapels, prayer monuments, and other Christian symbols so to speak humanized the countryside and together created a true homeland for man and strengthened the bond to the homeland.

With the onset of large-scale agriculture the established principles of preventing erosion began to be neglected. The boundaries and slopes were plowed up where the best opportunities were presented to the destructive effects of erosion. The hedgerows, trees, and even individual bushes disappeared from the landscape, the natural barriers against the action of the wind. Heavy machinery which travelled great distances with the creation of large units of land packed the arable soil and the layer beneath it, which limited the percolation of rainfall into the soil. Excessive agricultural chemicals destroyed the organisms in the soil environment and literally killed them off, thus changing in an undesirable manner the biological, chemical, and physical properties of the soil. Such a degraded "material" was thus even more exposed to the effects of erosion.

Our standards allow a decrease of up to 10 tons of arable land per hectare annually, thus decreasing the profile of the soil by 0.67 millimeters. Even substantial farm fertilizing cannot replace this loss in the long term. Under our conditions it is hardly a matter of creating new soil at all.

The actual situation, however, exceeds the allowable limits of losses, especially on slopes, by two, three, or more times. In JZD [unified agricultural cooperative] Podlipan Vitice na Kolinsku in 1987 there was a loss of 10 to 15 centimeters of arable land all at once after a downpour of rain on exposed land. Reclamation drainage pipes began to appear uncovered in the erosion furrows.

The case in the Kolin plain is far from an exception, even though erosion usually does not work so dramatically. However, it steals the most valuable thing from us slowly, unobtrusively, almost unnoticed, but despite this systematically with growing harm. After all, we can never put the soil back from where the water took it.

The farmers are already aware of the enormous, directly vital importance of measures against erosion. We can also study the first concrete measures to protect the soil. With regard to the seriousness of the problem, however,

the current approach of the superior agencies, the enterprises, and the entire society cannot be judged as adequate. It does not meet either the needs or the capabilities which we have. It is not possible to pay a severe tax in late charges since there is not any currency which can restore these losses.

Machine-Tool Industry: A Source of Problems

Value of Industry Questioned

90EC0002A Prague HOSPODARSKE NOVINY
in Czech 1 Sep 89 pp 8-9

[Article by Eng Josef Dittert, CSc, and Dr Miroslav Kolanda, CSc, of the Forecasting Institute of the CSAV (Czechoslovak Academy of Sciences): "Engineering: More Worry Than Pride"]

[Text] At the 14th Plenum of the CZCP Central Committee it was again requested that a concept for the development of the metallurgical, engineering, and electronics complex be worked out in cooperation with the central agencies and the entrepreneurial sphere. It is supposed to start with changes in the structure, accelerated reconstruction and modernization, and a substantial intensification in the international division of labor. In doing this there is an assumption that there will be a definition of modern products with a prerequisite of rapid and advantageous application on the domestic market and abroad which the center will support. Engineering is thus faced with the greatest changes since its inception. In this study it is certainly good to know the broadest possible spectrum of opinions.

It is obvious that the development of our engineering in recent decades is unfavorable. The share of the CSSR in world engineering production, estimated at more than 2 percent in 1950 and still 1.7 percent in 1960, dropped to just 1 percent in 1985. According to the growth rates in gross production demonstrated, it should have been over 3 percent by now, at the same level as France or Italy today.

Our share in the world engineering exports has also dropped, just as the relative prices obtained have also declined. On the other hand, however, the number of employees in engineering has increased. Therefore productivity of labor could not have grown with a practically stagnant volume of production. The number of workers has also decreased, but not in favor of creative technicians. The illusion that designers and developers are enough to replace the creative work of the invention and improvement movement still holds sway according to the thrust of the propaganda. The technicians wages have always lagged behind the development of the workers wages and the structural derivation of the individual categories of employees corresponding to a modern engineering industry as if this would not have its inevitable effect. We therefore have very few products capable of competing in the demanding foreign markets and we are holding on to their convertibility with difficulty.

A Comparison of Differences

In comparison with the industrialized countries of Western Europe our engineering industry has barely half the output performance. This is determined by an objective calculation of the value produced and the volume of the processed values per employee, with enormous reserves at each step. Engineering is not, of course, just the employees in the specialized engineering departments. Besides them there is about one-third of those working in engineering which is very dependent on specialized engineering. This is mainly manual work of low productivity which is only rarely exported. How we get the million-strong collective of employees in our engineering out of this unenviable situation will decide on the role and strength of engineering in the entire economics of the national economy.

Before World War II our engineering industry had a good reputation and it continued even after the war. For the engineering industry nationalization meant an enormous concentration of productive forces which made possible a specialization of production plants never before seen in the world. This created such reserves for the growth in the productivity of labor that engineering lived off it for decades. The reverse side of concentration, however, was the disappearance of small-scale production which showed up mainly in the final assembly fields. Engineering is "hurting for" them now.

The "iron curtain" of the beginning of the 1950's with the arms race disrupted contact with the engineering technology of the industrialized countries to a great degree. New capacity was therefore built at the level of wartime technology. For decades we did not in practice recognize the obsolescence of the technological equipment, while the engineering industries of the FRG, Italy, France, and Great Britain were already rebuilt with new generation technology. Thus our engineering production base and the structure of production differs significantly from the situation in the industrially mature countries.

According to the number of persons employed, our engineering industry is one-third that of the FRG. Theirs has an even higher share (53.5 percent) in the structure of those employed in the processing industry than does engineering here (44.6 percent). In contrast to that country, however, in engineering production we have:

- a large share of the equipment of a capital investment nature and very few products for personal consumption;
- an above-average share of equipment for industry and a below-average share for services;
- a predominance of "mechanical" engineering with a large share of single-purpose capacity which often is unique in the world;
- practically no products in the new directions of technology (the so-called high tech) which has a high growth rate in the rest of the world;

—a strikingly low share of products of a final assembly nature which are the basis for a broad range of final products.

Despite the fact that FRG engineering industry is an extensive one, including its heaviest capacity with direct relationships with the metallurgical works, that country does not behave like a closed economy. Almost one-fourth of its engineering needs are satisfied by imports and 46 percent of its engineering production is exported for an average price per kilogram which is three times as high as our export achieves.

From the standpoint of their engineering industries, even smaller industrially advanced countries of Western Europe such as Belgium, Denmark, Finland, the Netherlands, Austria, Sweden, and Switzerland behave completely and over the long term as open economies. They are open to the international division of labor from the standpoint of engineering products, but also for the movement of production functions. Their export of engineering products and the share to which domestic needs are satisfied by imports are twice as large as for the large countries. Half the value of international exchanges consists of assembly elements, components, and cooperation.

Besides the assembly fields, in these countries production is developed for which there is a need in the typical domestic processing technologies. Finland, Austria, and Sweden manufacture and export equipment for logging and processing wood materials. Denmark, the Netherlands, and Switzerland have foodstuff and packing machinery of a high level of technology. Here it is a matter rather of smaller production series with a high share of qualified work by workers and technicians, inexpensive in terms of material and energy, flexible according to the customers' desires, and capable of "pulling its weight" in international trade to create the growth of further domestic production and to strengthen the cooperative relationships of domestic manufacturers with companies abroad.

A Final Product Without Any Hinterland

Long-term suppression of imports led our engineering industry to produce almost everything that the mature economy of any country would need. The inventory is thus just as extensive as in the large countries, but the volume of the individual items corresponds to the size of the country—one-fifth that of the USA, one-eighth that of Japan, one-fourth that of the FRG, etc. according to the number of inhabitants. Even though we increase our smaller need by exporting, that is, we expand the circle of the market, our production volumes are far below the quantities which, at a given level of social division of labor in cooperation and subdeliveries, affect the world level of production costs. We therefore produce more expensively with barely half the productivity of labor as compared with the countries of Western Europe.

Pointing out the obsolescence of the production equipment does not get to the core of the problem even though

one-quarter of it has been written off and engineering has the oldest equipment inventory in our country with the exception of the printing and textile industries. The greater problem is that we renovated the production base in an obsolete production structure. The fixed assets as a whole are being utilized at insupportably low levels and we have production areas galore in comparison with the engineering in other countries. The main reason for our obsolescence is, however, the broad production assortment as a consequence of the closed economy as regards the countries with advanced engineering industries. The exchange of engineering products with foreign countries is indeed relatively large, but the CEMA countries (76 percent of our engineering imports in 1987) have not shown themselves capable of providing machinery with a high technological level and have provided almost no components for assemblies. Intensification of our national economy therefore gets its contributions mainly from engineering products imported from the nonsocialist countries and only about one-fifth of what is needed is being imported.

There have already been many attempts at resolving the excessively broad inventory of products of our engineering industry. The methods so far, however, have not been effective and could not even be effective because they catered to our engineering industry in the overall climate and it was predominantly put into the position of being a supplier of capital equipment not only in this country, but also within the CEMA and for developing countries. These tasks overlapped and exports to industrialized countries suffered from nonfulfillment.

The existing foreign trade organization has certainly also written about the obsolescence of our engineering industry. The long years of separating production and exports into the individual ministries was a disservice for our engineering industry. The conflicts which are common between marketing and production even within a single enterprise were theoretically to be resolved by the ministers. What exporting requested, production was not able to provide because the submission schedules for the delivery specifications were only a fraction of the throughput time for producing the product. When the manufacturers succeeded in producing something unique, exporting would not only not sell it, but would not even take it on. One could write novels about setting up advertising of deliveries on our account, to say nothing about the incomplete and often distorted information on the decisive marketplaces.

In the USSR they arrived at the unsuitability of such an arrangement some years ago even though there the engineering export is only a negligible fraction of their production. Here the export of a number of engineering fields even exceeds the domestic need. The production enterprises practically do not know the demanding foreign market and the conditions for competing supplies, the development of the products' parameters, the methods of marketing work, and prices are learned indirectly and late. They therefore adopt an active,

competitive approach to foreign customers too late and with insufficient commitment.

The attempt of the central agencies to maximize exports also clearly contributed to creating a "psychosis of the final product manufacturer." An enterprise which is at the end of the production chain, a "final product manufacturer," collects the benefits of exporting. An engineering product is, however, a continuously more complicated and technically more demanding composite. The assembly elements raise the final products to a high technical and useful level. They are costly in terms of technology and R&D. Therefore throughout the world their production has been mastered by renowned manufacturers.

Today all foreign suppliers of final engineering products draw on bases of elements and assembly parts which are at a high technical level and constantly being improved. Our attempt at self-sufficiency brought on by the psychosis of the final manufacturer brought about not only a cutting off from the assembly parts base, but also to its obsolescence here. We have many good machine parts which, however, it is not possible to buy so that the plants themselves have to manufacture them, of course, more expensively and at a lower level of quality.

As a consequence of this psychosis the entire engineering production base also became out of date. Analyses show that barely one-tenth of the components directly connected with the nature of the final product should be produced economically by the final manufacturer himself. All the other components should be more economically turned out by specialists.

For example, Kovošvit Sezimovo Usti in 1978 put together an automated production line for crankshaft parts. It puts out several thousand different configurations of shapes in economic runs of from 4 to 300 items on 25 machine tools of domestic manufacture connected by a transport system with a handling area and the entire process is controlled by computer.

In a year this production unit while getting broken in produced over half a million parts in 4,500 different dimensions with a productivity of labor ten times as high and one-third the costs of the usual procedure. Preparations are performed on a common desktop computer and the average production time has been reduced so much that deliveries are made almost while you wait. It is not hard to think that with preliminary preparation of semi-finished products we have here a production unit that with less than a dozen units could meet the needs to the entire engineering industry.

Such units have been developed at the R&D level for most typical machine components. We thus know substantially what is necessary for the technical solution to effective modernization of our engineering industry. The solution is thus not a dream, but a serious organizational problems of our times.

Just Production Is Not Enough

The technical level of engineering products and services is determined by its preproduction and postproduction stages. The marketing employees, if we add in about 15,000 such workers in foreign trade, make up 10 percent of the overall employees in engineering.

In 1960 engineering had 8.5 percent of the overall number of employees in the preproduction stages and in 1980 according to the plan there was supposed to be 16 percent, but despite all the resolutions there was only 6.3 percent in 1985. If we add to this roughly 7 percent of the employees in applied research and development and roughly 10 percent of the workers in marketing and design—with a low share of workers with higher education and scientific employees—we arrive at 23 percent of the overall number of employees in engineering. But in the advanced nonsocialist countries the share is 35 to 40 percent and even higher in leading companies. Improving the intellectual level of our engineering is thus a basic question of its survival because without it, its development and the convertible exchange of its products is a complete illusion.

Besides the number of employees there is also the question of their quality. For example, before the war in the aircraft design offices there was not any foreman who did not have a number of years design experience abroad and it was no different with the other engineering fields. He would know how the foreign designers worked, what starting materials and subdeliveries he could count on, and what services are considered normal. Where do we have such a designer in engineering now? To refer our technicians to the professional literature means being a dozen years behind with books and at least 3 or 4 years with magazines and they would have to be routinely accessible. However, this would still be just "paper" knowledge, while in the FRG engineering industry perhaps every third technician has years of experience in the English-speaking countries.

But neither full staffing nor qualified personnel will take care of our lagging behind the rest of the world. Because the lag is already so great, it can be overcome only by a very significant acceleration or better yet a leap forward. And according to all countries' experience this is possible only in cooperation with the best countries and through licensing and the importation of technology, ideally with their participation in providing capital.

Because our problems are similar to the problems of the other CEMA countries, it is hard to expect help from there in the next few years. In saying this, we do not undervalue the enormous scientific potential of the USSR, which is gradually finding its place in the world, and this must also be the direction for our orientation.

Our experience and that of foreigners shows that those engineering production fields which have a close connection with the domestically useful technology, such as textile and shoemaking machines, knitting machines, foodstuff industry equipment, metal-working machines

including tools, and others get by the best. Equipment for biotechnology and the ecology has a good future. Engineering likewise has not done much for the services so far. Why could we not master some field, either alone or in cooperation, at the "high tech" level and become its recognized exporter?

What We Can Draw From

Structural changes must be carried out as soon as possible. We must all get used to the idea that engineering can produce only what it is possible to make economically at the appropriate technical level. The need for engineering products in the national economy of an industrially mature country must of course be satisfied to the fullest extent, if not by manufacture, then by imports. To a significant degree this means importing equipment from the nonsocialist countries. Of course, this brings up the question of how to pay for it.

The engineering industry can contribute relatively rapidly to the balance of payments by the intensive development of cooperation with the leading world producers because its share of cooperation in global engineering exports (2 percent) is barely one-tenth that of comparable countries. A realistic approach is to organize smaller production programs mainly of consumer goods on the basis of our relatively cheaper labor as compared with the European countries. It is also desirable and appropriate to create stimuli for foreign capital participation in the modernization of production capacity with repayment through the export of production. It is likewise possible to borrow on something. Certainly nobody likes debts, but it is definitely better to borrow for modernization of the production base than for filling in the gaps in consumer goods in the market.

Our advantage is the relatively low wage level, the skilled hands and heads of our workmen and technicians, our engineering and cultural tradition, and certainly also the location of our country. There is no easy path to the demanding markets, however. To increase exports to those markets to the desired 30 percent from today's 10 percent in a decade perhaps is one of the most demanding tasks of the structural restructuring of our national economy.

It is hard for anyone to lead an enterprise by the hand in searching for directions toward effective manufacturing, technological, cooperative, trade, personnel, and social structures as the basic prerequisite of good economic results in the future. The products' ability to compete in demanding markets in a production program is the first questions of the existence of every engineering production enterprise in the immediate future. In engineering, however, we do not have every enterprise like every other one. Their starting positions differ greatly.

Big firms like Skodovka, CKD [Ceskomoravská-Kolben-Danek Heavy Machinery Plants], Vitkovice, ZTS [Heavy Machine Tool Enterprises], AZNP [Automobile Works, National Enterprise (Mlada Boleslav)], Tatra, Sigma, and others know best what their foreign

competition is and how to cooperate with them in order to utilize their own, often unique, work areas. It will probably be effective to give them greater independence of the production groups in them with their full self-financing and oversight by financial experts over their intentions and management.

We must consider medium-sized enterprises here as giants in comparison with the rest of the world. The average size of 3,300 employees in 1985 as compared to 85 average employees of an enterprise in Austria and 150 in the FRG indeed bears witness to the great concentration of production forces here, but also to the danger of monopolistic practices, unwillingness to take entrepreneurial risks, and lack of flexibility in decision making. Greater independence will also be suitable for them with their fullest *khozrazchet* and cracking open the floodgates in cooperation for other enterprises.

What Belongs to the Branch

Engineering itself must decide, in cooperation with the engineers in the nonengineering departments, about the development of the component and assembly parts base. A solution is offered in relatively small entrepreneurial units outside the framework of the existing organizational structure with up to 100 workers. This involves the production of control systems, drives and transmissions, distributors, hydraulics, pumps and automation elements, gauges and regulating equipment, information and control equipment—of course including design, putting it into operation, and technical service; thus not only production, but also services. These are fields demanding in creative technical work which have a high growth rate in the world and also can be effectively exported with a flexible entrepreneurial approach.

We should also have a management system that lets the consumer and manufacturer rapidly decide what is more advantageous, to produce or to import. In the engineering industry, and especially in investments and subdeliveries, there should be a return to the appropriate respect for management driven by specific customer orders with long-term validity because otherwise we turn our backs on very effective information about narrow and broad production profiles. We have lots of marketing organizations but proper functioning of wholesaling in delineated fields is rarely performed by them. There has been good experience with marketing roller bearings with their supplier catalogues and effectively deployed marketing warehouses. If this worked everywhere, it would probably be the most effective way to stop the growth in production supplies in all the enterprises.

The average engineering enterprise can only in exceptional cases itself acquire the necessary information for a purposeful orientation of the production program. Such information and advisory activities can be economically and systematically organized while still being sufficiently specific and operationally oriented by field or group of

related fields with the utilization of research work areas and central assistance to entrepreneurial initiatives.

In considerations of common-interest professional associations we must weigh the danger of monopolistic tendencies and the bureaucratic approach, especially when such an association is not on a voluntary basis and has excessive authority. The operations of such organizations abroad are well known. The Swiss association of machine tool manufacturers, small entrepreneurs with high quality products, does not represent them in name only. It assists them in presenting productions and organizing advisory and export services, but it does not get involved in the conception of the entrepreneurs' programs. Similar activities can also be noted in Austria for measuring and regulating equipment.

In the next few years our engineering enterprises will, the sooner the better for our national economy, be much more exposed to the influences of international competition and the requirement connected with it to restore the full ability of its products to compete. The first and most important link in entrepreneurial activity which will have to meet the complex global challenge of the world markets of tomorrow is the leadership of our enterprises.

They have before them the task of learning to work in worldwide markets and with worldwide competition in order for the strategy of their enterprises to be realistic and viable. The management will also have to be able to carry on a competent and material dialogue with the controlling agencies and with their own collectives of employees both about the opportunities which are presented to the enterprise in the technical and technological developments and in penetrating the world markets and about the obstacles which are beyond the enterprise's ability to overcome.

Enough energy has been wasted in doubting and avoiding these necessities. Our engineering industry can actually achieve the European standards and performance in a limited inventory of products in a relatively short time (of course, not in just 1 year or 2). We cannot, of course, tiptoe around such vital questions as the creative force of its technicians, the base for completion of its final products, and its connections into the international division of labor and practically do nothing.

Manufacture Compared to World Standards

90EC0002B Prague *HOSPODARSKE NOVINY* in
Czech 1 Sep 89 p 9

[Article by Eng Pavel Ehrlich, CZM [Czech Motorcycle Works], Strakonice: "To Sell Means To Offer"]

[Text] The manufacture of machine tools worldwide increased by 15 percent by value. The largest producer, the same as the year before, was Japan, the largest exporter was the FRG, and the most machines were imported by the Soviet Union.

In Czechoslovakia we consider the manufacture and export of machine tools to be an important item for the national economy. The economists of other countries have similar views. The growth in production, as well as in exports, of machine tools in Italy is noteworthy as it has moved from sixth to fourth place in the worldwide listings and has even overtaken the United States. The FRG remains an important manufacturer and exporter (in seventh place) and Spain has shown a significant increase in production. As compared with Czechoslovakia, Taiwan shows much greater production and exports.

Better Does Not Have To Be More

If we use terminology from sports, our position (in the middle of the second group of ten in production and at the beginning of the second group of ten in exports) deserves a significant improvement. This should also be in keeping with our tradition of precision manufacturing. Are we capable of producing and, especially, exporting better? Mainly better, since more machines means working a greater quantity of material, consuming more energy, etc. The answer, even though certainly not an exhaustive one, can be sought in comparing the methods of work of our machine tool manufacturers and the leading ones abroad, for example, in the FRG or Italy.

The majority of the foreign manufacturers of machine tools, including the best known, are small enterprises according to our standards in which they employ at most several hundred employees. This is advantageous for being able to vary the production program. Moreover, the machines being produced must constantly be improved and rapidly changed over. The enterprises have a certain tradition since most of them started up either in the period between the wars or shortly after the war. In order to be able to exist successfully, they must make offers and sell practically throughout the world.

For example, the grinder manufacturer Overbeck in the FRG must process approximately 2,000 bids for an annual sales of 140 machines. The customers choose machine tools according to their output, precision, space occupied, service, price, of course, and many other criteria as well. Because they request information from several manufacturers, a condition of the sale is processing a detailed bid.

Our practice so far is different. Within the country machine tools are allocated by accounts. The bid serves solely for technical clarification of the particular accessories of the machine and for agreement on how it will be set up, since most machines are delivered set up according to the customer's requirements.

Bids for our largest foreign customer, the Soviet Union, are processed in a similar way where the numbers and types of machines are again agreed upon beforehand according to long-term agreements. The bids thus do not actually offer machines for sale, but just make more

precise their equipment and parameters and therefore the number of bids only slightly exceeds the number of machines sold.

Electronics Requires Designers

In recent years the development of machine tools has shown great progress. Electronics brought about a change in direction in machine design and maintaining the rate of development is essential for the small enterprises as well. The customer often determines which control system is required for the machine being considered. The foreign machine tool manufacturers have a great advantage in the opportunity for a broad selection of subdeliveries and assembly groupings. The level of subdeliveries to a great degree determines the resultant quality of the machines.

The most frequent reason for this requirement is adaptation to the control systems which are already being used in the customer's enterprise. The machine manufacturers must meet the customer's requirements and therefore the design department must be capable of working out the desired variation. The makeup of the design offices has changed and the ratio of machine parts designers to electrical control designers is practically even at 1:1 (in our design offices the ratio is 1:5 and often even lower at the expense of the designers of the machines' electrical parts).

Systems for automatic design work have spread even into the design offices of small enterprises. Despite the savings in their work, the need for designers has not been reduced since the machines are constantly getting more complicated and are set up according to the customers' requirements. Automation of the design work saves not only in processing the production documentation, but many times there are significant savings in the case of the original documentation (diagrams for operating instructions).

New technologies of rough work are rapidly applied to the machines manufactured. The Overbeck company (in the FRG) can again serve as an example where 60 percent of the machines produced are delivered with a very modern element, grinding wheels of KBN (cubic boron nitride), to which the design of the machines has also been adapted.

The development of electronics has shown up in the machines manufactured both in changes in the makeup of the design offices and in the trade professions, including the field of teaching. Mechanics for the assembly department study 3 years in the engineering profession and the more capable ones continue 1 more year in the electronics field of study. The advantages of this approach are obvious, especially in turning over machines and providing services outside one's own enterprise.

Precision Depends on Assembly

Let us compare the opportunities for increasing exports of our machine tools. It is necessary to improve our negotiations with the customers in many ways and we need to provide them with all the information requested. The professional and language skills of all those who negotiate with the customers, and not just the employees of the foreign trade enterprise, should correspond to this requirement. Service is everywhere considered to be an essential condition for sale. This is in contrast to our practices where many times even a simple spare part has a delivery time of several months (sometimes even several years).

Goal-oriented management of the technical development is mostly by proclamation, but sometimes there is the exception which proves the rule about its obsolescence. An example of this is the slow progress in introducing electronic control systems and new methods of drives for machine tools here. The design units need to fill up their personnel ranks and change the ratio of designers of machines or the electrical parts of machines in favor of electronics designers. The design work areas need to be provided with equipment for the automation of design work.

The designers must know equipment throughout the world. The study of a limited number of magazines and visiting the Brno Exposition is not enough for this. There were indeed 1,000 visitors from the CSSR at the EMO 1985 show, the European machine tool exhibition before the last one, (for example, there were almost 2,000 visitors from India), but how many of them were creative technicians?

It is only possible to assemble a precision machine tool from high quality parts which it is likewise possible to manufacture only on good machines. The assembly has a great effect on the precision and reliability of the machines produced. The time for assembling and testing out the machines is often limited because of variances in the manufacture of parts and delays in the delivery of components. Long-term experience shows, however, that there are reserves in carrying out the assembly for achieving better quality of the machine tools, especially higher precision and thus also an increase in price.

When the customer requests it, there can be a machine representative present, but as a rule the future operators and installation personnel are not given very thorough professional training. The silence on this presumes that this training will be carried out when the machines are put into operation at the customer's plant. Many times this training never takes place because of a shortage of time (often the future operators and installers are not present when the machines are put into operation). Operator training, especially installers and repairmen, should be an element of the turnover since it creates the prerequisites for successful operation of the machines at the customers' plants.

Less Poultry To Be Shipped to Soviet Union

25000434C Budapest NEPSZABADSAG in Hungarian
5 Sep 89 p 10

[Text] As a result of the changed ruble exchange rate the poultry industry has decided to radically reduce its shipments to the Soviet Union.

Poultry Breeders Association President Matyas Toth told an MTI [Hungarian Telegraph Agency] reporter that because of the great losses they will be unable to deliver on the 1989 commitment specified in the interstate agreement to deliver 77,500 tons of chicken. At most they can provide between 58,000 and 60,000 tons for the Soviet market; they will try to sell the rest to capitalist countries. At present between \$880 and \$900 may be obtained on the capitalist market for each ton of chicken. As originally scheduled they would have shipped 30,000 tons of chicken to the Soviet Union for dollars, but the Hungarian poultry industry did not agree to the deal because of the low price. The Soviet partner offered \$800 per ton of chicken.

Prior to September, 40,000 tons of chicken were delivered to the Soviet Union. As a result of this the poultry industry incurred a loss of 182 million forints. Reduced subsidies and the devaluation of the ruble further increase these losses. Despite reductions in Soviet exports they are counting on a 338 million forint loss by year's end. Of that amount they are counting on receiving 200 million forints in subsidies paid from the state budget. No decision has been reached in this regard. This fact causes rather great uncertainty among breeders and in the processing industry. Counting on a settlement of the adverse situation, at its own risk, the processing industry has increased buying prices by between one and 1.5 forints earlier, thus increasing the buying price to over 45 forints. Even this way the producers' profits are not large; they amount to between zero and 50 fillers per kg of poultry. At least 2 or 3 forints in profits would be needed in order to provide an incentive for production and to increase the contingency fund.

FRG Joint Venture in Printing Machinery Established

25000475B Budapest NEPSZAVA in Hungarian
19 Sep 89 p 4

[Text] On Monday at the Hannover machine tool world exhibit, Csepel Machine Tool Works, Inc. signed a cooperative agreement with the West German MAN-Roland firm. The Dusseldorf subsidiary of Technoimpex was instrumental in bringing about the agreement with MAN-Roland, a firm that acquired a good reputation in Hungary with its printing machines. The agreement provides for a much higher level of cooperation between MAN-Roland and the Csepel factory.

Csepel Machine Tool Works President Istvan Erdei told NEPSZAVA that during the past decade and a half they have delivered 25 processing centers to the West

German firm, each valued over 1 million marks. It is apparent that the German firm's satisfaction with the Hungarian equipment prompted the expansion of the relationship.

According to the newly signed agreement, the Csepel factory will manufacture printing industry machine parts and components for MAN-Roland. Deliveries will begin without delay. After 2 or 3 years the value of shipments is expected to exceed 6 million to 8 million marks annually. The permanent nature of the relationship is demonstrated by the fact that the West German firm is purchasing additional Hungarian processing centers valued at about 4.5 million marks. It will lease that equipment to the Csepel works after their completion during the first half of 1990. The leasing fee will be paid for in parts manufactured for MAN-Roland.

FRG Joint Venture in Industrial Gases

25000475C Budapest NEPSZABADSAG in Hungarian
19 Sep 89 p 4

[Text] More gas is needed, purer and colder gas. This is why yesterday the Oxygen and Dissolved Acetylene Gas Enterprise [ODV] and the West German firm Messer Griesheim formed a limited liability corporation [Kft] under the name MG-Hungarogaz, with a base capital of 770 million forints. Within 3 years the joint enterprise will build a gas liquefaction plant with a capacity of 6,000 cubic meters per hour. They will establish the needed delivery system (special tank cars) and will lease the equipment that operates with the gas to users.

At the press conference it was stated that the Hungarian partner had struck a favorable deal. It joined the venture with 49 percent participation, and since ODV has been on the top list of enterprises for a long time with its own capital and some real estate property, it will be a partner of essentially equal rank with the German firm. ODV President Dr Bela Balazs told NEPSZABADSAG that there is need for a gas liquefaction plant because Hungarian industry is presenting an increasing demand for such gases. At this point already they are importing liquefied gas worth \$1.5 million, and by 1991, the time the plant is to be completed, demand will be three times as much. This demand will be satisfied by the Hungarian plant. But savings which result from the transportation of liquefied gas on the one hand, and oxygen transported in the form of bottled gas on the other, is also significant—it amounts to diesel fuel worth 40 million forints.

Mr Hans Messer, the West German founder, obviously came to Budapest in hopes of striking a good deal. The Hungarian factory will be a partner of Mr Messer's Austrian subsidiary, in the event that technical problems or maintenance halt production in Austria, or if demand increases. But it is also likely that he is counting on increased Hungarian demand and on the fact that having invested DM50 million he will be a partner in a firm which pays higher dividends than interest rates paid by banks.

According to ODV, Hungarian industry is bound to gain, and so are medicine and the environment. In terms of fuel technology, a more perfect burning can be achieved by using liquid oxygen, and chlorine may be substituted in the paper industry by applying a high grade water purification process.

POLAND

Regional Press Scanning: Reports of Economic Interest

90EP0050A Warsaw GAZETA BANKOWA in Polish
No 30, 24-30 Jul 89; No 32, 7-13 Aug 89;
No 33, 14-20 Aug 89; No 35, 28 Aug-3 Sep 89;
No 36, 4-10 Sep 89

[No 30, 24-30 Jul 89 p 11]

[Text] PROMEHYD Company, whose members are HYDROTEST (Krakow), MEGAT (Warsaw), DOLMEL (Wroclaw), and the West German firm Preussag, will produce container-type water treatment stations intended for villages, housing settlements, rest centers, and food production plants.

The first economic initiatives of the Szczecin-Swinoujscie Free Trade Zone joint stock company are already developing. An enterprise in which FRG firms have a share, which will sell installation materials for apartments, is now in the stage of organization. A Polish-Icelandic company plans to build storage silos for fish meal and an American firm which exports finished one-family houses wants to open a consignment warehouse for its products. In total, about 50 foreign firms and over 100 Polish firms are interested in operating in the Szczecin-Swinoujscie free trade zone.

The Gdansk International Fairs company, in existence a few months, purchased the right to organize two large trade events in 1989: the Baltcom fairs (autovideo equipment, computers, telecommunications), and Marketing, (market research, advertising, promotion). As its first endeavor, the company arranged an exhibit last April in Leningrad for a Tri-Cities economic firm.

In Tarnow, a private company is offering driving lessons. It has two mini-Fiats and two Polonezes. Its prices are 15 percent lower than those of the state-owned driving schools. The driver's license course lasts a month.

The Chamber of Commerce for Foreign Investors, formed recently in place of INTERPOLCOM, already has a membership of almost 430 firms. Another 120 firms are awaiting formal registration. The purpose of the chamber is to represent and protect the interests and rights of its members, and give legal and organizational assistance. However, it will not concern itself with economic promotion.

The director of the Meat Industry Plants (Legnica) was one of the first to raise the procurement price of slaughter livestock: Class I hogs, 11 percent; Class II

hogs, 5 percent; and young cattle, 10 percent. His decision was prompted by the shortage of slaughter animals.

The prosecutor has charged a group of meat-plant employees in Bielsko Biala with the theft (during a period of almost a year) of 1,400 kg of boneless pork valued at over 2 million zlotys.

There were no winners in the fishing contest held during the GLOS SZCZECINSKI festival on the Oder [River]. Not one fish was caught by 80 contestants in a 3-hour period.

[No 32, 7-13 Aug 89 p 6]

[Text] The District Administration of the Polesie district in Lodz turned over S.Worcell Park, which covers 33,000 square meters, to an agency. The agent is the private owner of a "landscape maintenance and equipment and small jobs establishment." The contract is for 1 year and the agent will receive 2.5 million zlotys for taking care of the park.

According to the American EAST ISLAND JOURNAL, the most dust-polluted city in the world is Zabrze. Katowice is third on the list and Walbrzych is 12th.

As published in GLOS WYBRZEZA, a representative of the Swedish shipbuilding firm Stena Line, announced that it does not intend to become a coowner of Gdansk Shipyards. A delegation from the firm is only holding talks on the construction of ships for the firm in the Gdynia and Gdansk shipyards.

An attempt by two young Swedes to smuggle out a large amount of 20-zloty coins, which fit into Swedish cigarette, soft drink and candy vending machines, was foiled.

In Elblag, a Polish-Swiss joint venture company, Marcam Conterneirs SA, was formed. Its shareholders are: Elfa Ship Fittings Factory (30 percent capital), the Swiss firm Marcam, and a private individual. The company plans to produce central-heating boilers with a fluid furnace and container-hauling trailers, and to import and export goods.

In Wlodek, the first self-defense school in Poland, called Samuraj, was established.

The Polish-Austrian company Casinos-Poland, with the cooperation of Wawel-Tourist enterprise, opened the first gambling casino in Poland in the Pod Roza [Under the Rose] Hotel in Krakow. To be allowed in the casino, the customer must be at least 18 years old, be properly dressed, and have convertible currency.

A shortage of zlotys prevented a 30-member tourist group from Scandinavia from obtaining zlotys at the Orbis currency-exchange desks in Szczecin. The tourists wanted to exchange 8 million zlotys and only 1 million was available. More zlotys were obtained the next day from foreign-currency black marketeers.

[No 33, 14-20 Aug 89 p 6]

[Text] In Poznan a preliminary agreement on the formation of a company to build and operate two modern hotels in this city was initiated. The shareholders are the British-Israeli firm AY Investment Ltd., the Poznan tourist enterprise Przemyslaw, and also the firms Domar and Arpis.

The Gdansk Repair Shipyards have put eight apartment buildings containing over 400 apartments (and their tenants), plus a shopping center, up for sale. The buildings are located in the minisettlement called Zielony Trojkat [Green Triangle].

The Poznan deputy voivode talked with a delegation from the American firm Global Perspectives on the subject of possible cooperation between Poznan and Texas enterprises, e.g., through the creation of a joint foundation.

[No 35, 28 Aug-3 Sep 89 p 6]

[Text] A Polish-Italian joint venture company will begin to produce batteries for buses and combines starting in September in Gliwice. The company's Polish shareholders are Centra in Poznan and Karbochem in Gliwice, which hold 40 percent of the capital.

Councillors from Kurzetnik and Nowe Miasto Lubawskie in Torun voivodship decided to start up a private bus line linking both of these places.

Results of a poll conducted among employees of Predom-Zelmer Mechanized Household Equipment Factories in Rzeszow: 75 percent disapprove of theft which is damaging to fellow employees (for comparison, figures from similar studies in 1973 showed 99 percent); 62 percent disapprove of poor work performance (98 percent); 47 percent disapprove of drinking of alcohol on the job (97 percent); 42 percent disapprove of theft of factory property (98 percent); and 29 percent disapprove of doing personal work on company time (88 percent).

In Jelenia Gora, a State Insurance Office client insured herself against AIDS in the sum of 5 million zlotys.

[No 36, 4-10 Sep 89 p 6]

[Text] The Development Bank in Lodz, which started out a year ago with a capital of 367 million zlotys, today boasts of turnovers of approximately 18 billion zlotys. Each day's operations, according to bank president Lucki, bring a profit of several million zlotys. In addition to the issuance of securities (\$1,000 bonds and stocks valued at 700,000 zlotys), the bank plans to issue \$20 and \$100 bonds for the less affluent.

The Westa Insurance Institution has opened a Loans and Investment Bank which has already granted credits for a total of 3 billion zlotys and is fulfilling investment contracts pertaining to participation in the construction of hotels in Lodz, Rzeszow and Nowy Sacz.

Since the Town-Gmina Administration in Chojno turned the State Motor Transport roofed bus stops over to an agency, the cleanliness of the shelters has improved greatly.

The Diora Radio Factories in Dzierzoniow have transformed themselves into a joint stock company with a capital of 5 billion zlotys. The firm's employees bought 2 billion zlotys in stocks.

In Rzeszow, using a karate club as a base, a private office offering protection for persons and property, was opened. The services offered include personal protection, convoying of money, storage of valuable items, and installation of alarm systems and safes. One hour of the "protector's" work costs 5,000 zlotys.

Less-Fearful Look at Costs of Economic Reform Urged

90EP0066A Warsaw GAZETA WYBORCZA in Polish
5 Sep 89 p 3

[Article by Ernest Skalski: "The Real Cost: Poverty? Unemployment? Abolition of Entitlements?"]

[Text] For years now we have been frightening each other with the "cost of the reform." Let us rather discuss the real cost of the change in the system of society, because that is the crux of the matter.

The total freedom of fixing prices and wages will certainly result in a balanced market and economically justified price relations. But before this happens there must be a period of chaos and disorientation which will affect practically everyone (just a few will succeed at profiting from it). A rapid and efficient flow of information can shorten this period markedly. On the other hand, gradualness of changes in the name of economic and social "security" would lengthen them.

The moment itself of transition to a market economy will mean a violent rise in prices, because they will chase each other, and always upward. At the same time, however, the incredibly low wages in an economy governed by the state will rise. Employers who are not restricted by prohibitions or taxes impeding a rise in wages will pay as much as labor is worth to them and in this way employment will be rationalized.

And hence a majority of real wages in the economy will begin to rise from the very outset. Thus the prophesy of the inevitable decline in the living standards of the general public need not be self-fulfilling. Of course, apart from the period of chaos about which nothing certain can be told in advance.

Insofar as the reform will not be shammed, a large segment of the employed will have to change jobs and a constant margin of unemployment will certainly persist. No one can figure how many people this will affect and for how long. Employees of the economic and state agencies superfluous under the new conditions will lose

their jobs, as will the employees of plants and factories which turn out to be unprofitable, that is, simply, superfluous employees.

As to whether it is worth it to individuals, that will be seen gradually, as the interim chaos recedes; that is, the reallocation of the labor force will be distributed over time and thereby facilitated. In one way or another, however, the package of measures to change the system is bound to include a decree assuring all the laid off personnel of retaining their real wages for at least one year (and eventually of the possibility of earlier retirement with pay), along with effective job retraining, assistance in starting up independent businesses, and, insofar as possible—this being the hardest—assistance in relocating to new homes.

Considering that the persons who will have to be discharged have so far either been working inefficiently or in a manner harming the economy, it ensues that their discharge will mean savings, even if they continue to be paid their incomes. The problem may be that the funds for their incomes will have to be found even before the economy begins to feel the effects of the restructuring of employment.

This will affect, among others, employees of the so-called budget sphere [state enterprises, state services] many of whose segments which will probably be completely or partially marketized. But the state, and with time local self-governments as well, will bear the main burden of assuring that civil-service salaries do not fall below the earnings in the economy. Otherwise, the disintegration of this "sphere" will continue.

Last, there is the question of protecting the real value—and in warranted cases, raising it as well—of old age pensions, annuities, and all kinds of entitlements. Here too the threat must be warded off by the state, and that too should be included as a basic element of the change under way.

In this connection, the resources needed to cope with this task cannot be determined in advance. It is difficult, too, to foresee what funds will be available for this purpose to the state, unless it slaughters the economy with excessive taxes.

Nevertheless, this obligation has to be assumed. Here it is worth noting that in the presence of a general rise in real wages the importance of all kinds of allowances for a majority of the families is bound to diminish. This will serve to concentrate on assistance to the neediest.

Knowledge of the real cost and perils associated with the change awaiting us is indispensable in order to minimize them and finding measures to counteract them. This should supersede scare tactics. Delaying the changes out of fear of losing the anyhow moribund safety net of social security will turn it into a totally illusory security. The existing system anyway protects hardly anyone, and least of all the neediest cases. Those always have it worst, but their chances are better under that coming effective system with which we are frightening each other.

Chief Council of Cooperatives Assesses Future Role

90EP0068C Warsaw RZECZPOSPOLITA in Polish
16-17 Sep 89 p 8

[Article by (kraj): "The Dim Future of the Cooperative Movement"]

[Text] The Chief Council of Cooperatives decided Friday, 15 September, to stand up to the journalists, and through them to public opinion.

I deliberately write "decided" because until now press conferences were not a custom of the representatives of the highest representatives of co-op members, which the general secretary, Eugeniusz Jablonski, himself admitted in his introduction to the discussion. Friday's meeting was somewhat forced by the external situation, in connection with the increasingly sharper and wider criticism of cooperatives in their present form and structure. The approaching Congress of Polish Cooperatives became the formal occasion for this. It is also interesting that this appeal to the cooperatives' "bottom" took place only because of extremely critical economic and political conditions.

The congress is supposed to speak out on the role of cooperatives and their representation in the state's system, on the adaptation of cooperative laws and principles to the new rules of a market economy, and on the future and direction of development. In short, the future of the Polish cooperative movement will be discussed.

It is hard to say what the congress' conclusions and decisions will be. The press is now interested primarily in proposals to modify and transform cooperatives, to restore primacy to its members, to remove bureaucracy not only in the structures themselves, but also in the present interpretation of cooperative rules. The council brings the entire issue down to a justification of the existence of the central unions and the chief council. In the context of the explanations, international references, and the legal stipulations cited by one of the journalists, the statement made by the president of the gmina [rural township] cooperative, that there are three institutions in Poland now which are ahead of their time: the church, the army, and Peasant Self-Help, sounded all too true.

The Chief Council president, Kazimierz Barcikowski, said that in his opinion nothing in Poland is a threat to the cooperative movement. And we can fully agree with this, on condition that this is a genuine cooperative movement.

Role of Cooperatives in Changing Economic Climate Viewed

90EP0068B Warsaw TRYBUNA LUDU in Polish
16-17 Sep 89 p 3

[Article by (wodz): "Return to Roots"]

[Text] In the assumptions for further reforms of the state, a direct leap from state ownership to private

ownership is planned. Ways to reprivatize enterprises are being created by going to capital companies and bonds, and not to group ownership, which is the cooperative.

A climate of complete confidence in individuals is being created, making it possible for them to affiliate and manage, and cooperatives are not being "unblocked." And yet cooperatives give broader rights in the area of self-management and government in the constitutional system of the people's councils and the Sejm, it was said on 15 September at the press conference at the Chief Council of Cooperatives.

Meanwhile, cooperatives play a significant part in the country's life: 15,200 co-ops employ 2.2 million people and represent 13.3 million members. True, sometimes they function sluggishly in ossified structures. Many of these criticisms, admitted the general secretary of the Chief Council of Cooperatives, Eugeniusz Jablonski, are justified. And the entire movement is really late as far as events in the country go. But instead of "forcing" everyone to be happy, as was recently attempted, the members themselves should speak out about the future of their cooperatives. The Congress of Polish Cooperatives is preparing for this. It will take place towards the end of the year. It will be the third congress in postwar history. The delegates who attend will be selected not by the central authorities, but by the cooperatives themselves.

The co-op members have some urgent matters to solve.

It is also suggested that the deciding vote in co-op matters be returned to the cooperatives, because they should act first of all in their own interest.

State Farms: More Responsibility, Cooperation With Government

90EP0068A Warsaw TRYBUNA LUDU in Polish
16-17 Sep p 3

[Article by Halina Dowda: "Nothing Without the State Farms"]

[Text] If Aleksander Marszalek, head of Kietrz, is congratulating the state farmers for their good harvests, then the congratulations must be deserved. The chairman of the People's Council of the State Farms Union is frugal with words and even more stingy with praise. The council, which met in Warsaw on 15 September, announced its position on "the role and place of the State Farms in the food economy."

Does the fact that the council is taking a voice mean that the state farms need special protection? From the standpoint of production and finances, they are doing quite well, but the "molding" of public opinion and the attacks on the state sector are disturbing. "But when a hospital has to be saved, or a market because there is no meat, then the voivode appeals to the state farmers," it was said with sarcasm at the meeting.

The state farmers themselves are inspiring the changes. Work is underway on a draft law on state farming, and another plan to have state farmers account for income and not profit is ready. A few dozen farms will apply this accounting system on an experimental basis this year. The idea is to have the new economic system go into effect at all state farms next year.

The council's position reads as follows: "We greet with hope the announcement of the chairman of the Council of Ministers in his speech to the Sejm on the equalization of economic, financial and tax conditions in all sectors of the Polish economy. For many years, we have demanded that income be used in the State Farms as the basis for the settlement of accounts and the evaluation of management results, the same as in other farming sectors."

The People's Council of the State Farms Union expressed its readiness to cooperate with the leadership of the agriculture ministry and also its hope that the work on the new financial system for state farms will be completed."

"We share the view," the council says, "that the land should be cultivated by those producers who guarantee to obtain the highest production from a unit of land area. We are not striving for further nationalization of farm production, but are absolutely against all attempts to reprivatize state farms which are doing well and are producing more than others in a given region. We are in favor of further personalization of workforces and socialization of state farms. No changes in ownership relations and organizational changes in state farms can be made without the participation and full support of State Farms workforces, the actual farmers who bear joint responsibility for the allotted part of the nationwide property."

The council's position is unequivocal because the state farmers have for a long time wanted to take responsibility for the cultivated land and be its managers. The proposed system for distributing income will help to do this. They also submitted their own proposals pertaining to ownership changes. They are not rigid in their positions, are open to socioeconomic changes, and are working closely with farmers' and cooperatives' unions.

Prospects of Further Construction of Warsaw Metro Viewed

90EP0052A Warsaw GAZETA WYBORCZA in Polish
26 Sep 89 pp 4-5

[Article by Krzysztof Leski: "The Metro: Billions Lost?"]

[Text] It has been no secret during the past few years that when World Bank experts have set the conditions for aid to Poland, they have recommended stopping work on metro construction, but we can not afford to either continue the investment or to interrupt it.

Up to the present time, metro construction has cost us 116 billion zlotys in current prices. If we were to convert this figure to August 1989 prices, it would probably rise

to about 350 billion, but nobody has given an accurate figure, because the comparisons would be shocking. In 1982 the government estimated the entire labor cost at 85 billion zlotys. Last year the Planning Commission estimate was that it would be 460 billion.

It is no secret that for several years when World Bank experts have been setting the conditions for aid to Poland they have recommended suspending the construction. Neither Messner's nor Rakowski's government thought about adopting this suggestion, because both wanted to complete Jaruzelski's work of propaganda begun with such fanfare in Spring 1983, which was such a difficult period for Poland. The Mazowiecki government is neither ideologically nor emotionally attached to the construction of the metro, and it inherited completely empty state coffers from the communists. Therefore economic and technical arguments will determine the fate of the project.

Halfway? A Quarter?

Six years ago we were told that trains would be running along the first section, from Kabaty to the Polytechnic, by 1989. The most difficult section running through the downtown area up to Plac Wilsona was to have been ready 3 years later, and the whole line right on up to the steel mill by 1994. During the first 2 years the work involved practically the entire first 12-kilometer section, that is, more than half the line.

Some people think this was a mistake. The effort should have been focused on a small section, which could have been completed in a few years without upsetting life in half the city. Somebody failed to take into account the fact that we could not afford such a broad "labor front." Moreover, the work should have perhaps begun in the central downtown area, so that completion of the first section of the line could actually make life in the city easier.

Today, after all, people are saying that a section from Kabaty to Wilanowska (North Station) will be ready in 1992, but there has been too little progress on the route running through Mokotow proper. Because of this, swarms of Ursynow residents travel an added distance clear across the widest part of downtown Warsaw, later crowding onto the streetcars and busses travelling further along Pulawska (because Aleje Niepodleglosci is still closed!) It is no help to make Pulawska wider, even three times wider. In other words, the result of completing a sliver of the metro for operation will be rather illusory.

Fill in the Metro?

Does this mean we should interrupt the project? Director Brzostek, who heads the General Metro Construction Directorate, protests. He estimates that 68 percent of the Kabaty-Polytechnic section is completed. The stations in Ursynow are practically finished along with the tunnels. The station in Mokotow proper is under construction. "Freezing" the construction site would be a very expensive and complicated operation.

You would have to fill in the stations, but first, the equipment already installed would have to be conserved or dismantled. Most of it could not be sold, because it was constructed just for the metro. Add to this the cost of isolating the stations from above and of constantly removing water from the whole thing. Otherwise, there would be no place to go back to someday. In addition there are the fines for breaking contracts with local and foreign suppliers. And so on, and so forth.

I ask how much it would cost, but the director does not know and has no intention of asking anyone to make the calculations. "I don't let myself think about interrupting construction. After all, nobody except journalists has asked me about it," he says. He later admits that he made a rough estimate of the ad hoc costs, excluding the subsequent fixed expenditures. It came out to at least 35 billion zlotys.

He warns right away, however, that first you would have to determine for how long the project was to be frozen. Then you would have to work out a project for suspending construction, before you could draft a budget estimate for it.

Building Agreement in the Metro

Everyone is in agreement. The engineers heading various sections of construction say the same thing. The greatest problems would occur on Aleje Niepodleglosci, where the stations are still all dug up. It would cost a fortune to "freeze" them and restore the traffic along this important Mokotow arterial. Then in Ursynow, where the construction work is almost finished, there would not be much difference between safeguarding the suspended construction and finishing it the normal way.

They also defend the rate of construction. Engineer Olejko, of the Ursynow section, says: "Under these geological conditions, a kilometer and a half of tunnel per year is a good rate of progress worldwide." The stations determine the deadlines everywhere. The engineer does not explain whether he considers the rate of construction of the Warsaw metro stations to be too slow.

Solidarity in the Metro

Engineer Olejko does not think the construction can be interrupted either, but as its director, Engineer Krasuski, says, the General Metro Construction Directorate cannot build the metro given its present configuration.

Before funds for further work are allocated, the whole construction project has to be reorganized. There are too many directors and managers, but there is no chief contractor responsible for the whole thing. The General

Directorate employs only subcontractors. The heads of the various sections manage only the construction work. They have practically no influence over the firms handling the ventilation, power, and so on. Engineer Zajbert, head of one of the Ursynow sections, says: "You have as many authorities as you have areas of responsibility."

Solidarity is very put out with the directors, for all the usual reasons: poor organization, squandered money, foreign exchange allocations to subcontractors for equipment that never reached the building site, and finally that it was not until recently that Director Brzostek asked for a calculation of how much more expensive construction would be because of ... civil defense.

Metro or Shelter?

Civil defense requirements call for installing antinuclear gates in all entrances and tunnels, for covering the stations with ceilings which are far stronger, to fit the specifications of the Ministry of National Defense and not the designers; and for outfitting the various underground halls with tremendous ventilators, which are practically air factories. These costs are at least 15-to-20-percent higher, and people are saying that the metro is the largest military investment in Poland, although the times are no longer what they were in 1952, when the metro was used as an excuse for building a passage for mechanized armies under the Vistula. Civil defense technical requirements go back more than 20 years, and there are doubts as to whether they make any sense today. It is still not too late to change the plans for the downtown area.

Can We Live Without the Metro?

The people to whom I spoke did not say much about this, because pages of urban sections in Warsaw newspapers have been devoted to this subject. Without the metro, we would instead have to build new streets and streetcar lines at nearly the same cost, but their operating cost is higher, and the difference in the cost of building the metro would be made up in a few years. One metro car would replace five streetcars and over a dozen busses.

The metro, of course, also has other advantages: less air pollution, shorter commute time, and a great savings in the amount of land devoted to transportation.

In other words, Warsaw cannot afford to give up on the metro, but neither the city nor the nation can afford to continue construction, not at any rate in keeping with the old requirements. Can a compromise be found between the two impossibilities? It is certain that one must be found. To build more slowly, not all over the city at once, but not to interrupt construction, because it will be difficult to resume later.

HUNGARY

Worth of 'Socialist Values' Analyzed

25000492 Budapest HETI VILAGGAZDASAG in
Hungarian 7 Oct 89 p 72

[Article by Florian Mezes: "Socialist Values: The Place of Execution"; first paragraph is HETI VILAGGAZDASAG introduction]

[Text] In this new column we intend to describe the Hungarian reality not from the economic standpoint, but as it is reflected by society. We will deal with everything that is part of the social "mortar," including the system of human and institutional relations, the functioning of these relationships, with average and special social phenomena, with individual human beings, the family, and social groupings, regardless of whether they are associations or political parties. The author of the following article describes the loss of values as one cause that has upset Hungarian society.

For a long time, the largest ratio of per capita suicides in Hungarian society was recorded in a small village called Asotthalom, near Szeged. In that village an almost 190-centimeter-tall, strong Hungarian male hanged himself on a miniature apple tree. One is shocked by looking at the little tree, it is hardly conceivable that a person could hang himself on a tree like that. But he knelt on the ground, and forced his body against the rope in order to die.

People cannot tolerate long-term social disturbances without suffering injuries. At best the question is to what extent people suffer damages, or damage themselves. The consequences of social disturbances in Hungary are well known. We are among the European nations which rank highest in per capita suicide ratio, and our ranking is similar with respect to alcoholics. But there are physicians who interpret alcoholism in a different manner than statisticians. According to them the number of alcoholics is more than 1 million, more than one-seventh of the Hungarian adult population.

Viewed without passion, socialism may be perceived as an experiment in modernization, to use the fashionable term regarding today's social renewal. But it is difficult to view socialism without passion, because the experiment claimed its victims by the hundreds of thousands in Hungary. Considering the rest of the socialist experiments the number of persons murdered can be counted only in the millions. Even if murder is not necessarily part of the essential experiment, "making people happy" with or without such need, by fire or by sword is. And such experiments are accompanied by the destruction of every value, and by attempts to force a new, "the only appropriate" value system on human guinea pigs.

In this regard socialism is unique as compared to other modernization endeavors. Other modernization efforts start out from existing values, creating new values

adjusted to existing values if possible. But modernization does not take place in response to orders: "From now on people must abide by the following values." And the destinies of many falter even in the course of such other modernization experiments. Socialism has broadened all this to societal dimensions.

On the basis of socialist experiments one may directly conclude that in Hungary there is no crisis of values, instead there are no values at all. One could hardly regard as values matters not accepted by society, or to which society adapts itself only under constraint—matters it is unable to claim as its own, and which it does not regard as organizing principles, but only as (uncomfortable) obligations.

The fact that Hungarian leaders above a certain level keep in touch only with each other, and that most of them do not even descend to subordinates below certain levels, may be regarded either as bad management or as "being removed from the people." But this phenomenon is the consequence of a new value, that by now, in general, a position provides the rank and the knowledge, and not the reverse, and that positions are deserved as a result of knowledge and rank. The fetish of hierarchical order may be even popular; the need to achieve a position only by making connections, behaving and accepting the philosophy of golden silence.

One should not say that this principle also prevailed prior to socialism. After all, there were such values as the highest regard being accorded to the best farmer in a village, even though these farmers were also the wealthiest. Similarly, the functions and knowledge of the priest and the teacher were honored and respected, and so were foremen in factories. This kind of attitude resulted in the emulation of these persons. Thus they represented a moving force. But what kind of moving force do careerists represent?

In today's Hungary, ordinary mortals are unable to reach "great personalities" most of the time. True, the situation was the same before, but at least that damned capitalist, the landed gentry or the know-all of Eger, did not mince words on ordinary weekdays outside of campaign periods by saying that behind closed doors they sweat blood working for the benefit of simple people. Instead they enforced the value system that flows from owning property: I am the master, you are the servant.

Socialism regards the values of peasants and village communities, which also survived in the cities, as obsolete. On occasion such values were persecuted. As a result families suddenly fall apart, they can no longer tolerate the uncertainty presented from the outside. The traditional division of labor, the internal hierarchy of families has disintegrated, and the rules of conduct within the home have disappeared. These are values which provide direction for living together and protection against the outside world. Respect for the elderly has become extinct, sons turn against their parents and

parents turn against their sons because there is nothing to direct the relationship along proper channels.

The fact that old values no longer function is not the trouble. The trouble may be found in the fact that with few exceptions there are no generally accepted values. Most of the existing values are imposed from the top in the form of obligations. This sounds similar to the medieval concept of religion must follow land ownership [cuius regio eius religio], modified to the extent that one must have faith in those who hold power. And to replace the faith they took away they provided a faith with which only a few had something to do, and thus that faith could not become a value. It could not, because something that changes daily cannot become a value.

New Zionist Organization Established

*25000487C Budapest NEPSZABADSAG in Hungarian
2 Oct 89 p 6*

[Text] The Theodor Herzl Circle is the newest chapter of the Hungarian Jewish Cultural Association. It is the circle's purpose to familiarize the Hungarian public with the life and struggles of Tivadar Herzl. He was born in Budapest and spent his first 18 years there. The circle will codify the history of the Hungarian Zionist movement and will make preparations to start the movement anew. The circle is committed to initiating proceedings at official Hungarian forums having jurisdiction for the indemnification and rehabilitation of persons who were accused of being Zionists, and who were denigrated, persecuted, or sentenced to prison terms after 1948.